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The Canadian Forces Income Support Benefit

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As of the effective date noted above, this document consolidates and replaces all previously published policies pertaining to eligibility for, and administration of, the Canadian Forces Income Support (CFIS) benefit.

This document provides policy interpretation and guidance to support the administration of the CFIS benefit. Care has been taken to ensure this document accurately reflects the provisions outlined in the *Veterans Well-being Act* and *Veterans Well-being Regulations*. Should any discrepancies arise, the Act and Regulations will take precedence.

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Objective

The Canadian Forces Income Support (CFIS) benefit is a tax-free monthly benefit payable to lower income Canadian Armed Forces (CAF) Veterans and their survivors and orphans who meet legislated program eligibility criteria.

The objectives of the CFIS are to support eligible Veterans and other clients with a level of income sufficient to meet basic needs while they search for employment, and to provide income support, as a social safety net, to eligible recipients.

Definitions

The following definitions apply for the purposes of this policy. They may be found in Section 2 of the *Veterans Well-being Act* or Sections 33, 36, 37 or 38 of the *Veterans Well-being Regulations*.

Base Calendar Year: the 12-month period starting with any month in which the Canadian Forces Income Support benefit is payable

Canadian Forces: the armed forces referred to in Section 14 of the *National Defence Act*, and includes any predecessor naval, army or air forces of Canada or Newfoundland

Common-law Partner: in relation to a member or a veteran, a person who is cohabiting with the member or veteran in a conjugal relationship, having so cohabited for a period of at least one year

Consumer Price Index: the annual all-items Consumer Price Index for Canada (not seasonally adjusted) published by Statistics Canada

Couples Who Are Living Apart: a spouse is deemed to be residing with a member or a veteran, and a person does not cease to be a member's or a veteran's common-law partner, if it is established that they are living apart by reason only of:

1. one or both of them having to reside in a health care facility;
2. circumstances of a temporary nature; or
3. other circumstances not within the control of the member or veteran or the spouse or common-law partner

Current Monthly Benefits include, for the purposes of calculating monthly CFIS amounts:

1. Income Replacement Benefits (IRB) payable under the *Veterans Well-being Act*;
2. Long-term disability benefits payable under the Service Income Security Insurance Plan (SISIP) Long Term Disability (LTD);
3. Disability pension benefits payable under the *Royal Canadian Mounted Police Pension Continuation Act* or the *Royal Canadian Mounted Police Superannuation Act* other than amounts payable for a dependent child;
4. Benefits payable under the *Old Age Security Act*; and
5. Compassionate awards payable under section 34 of the *Veterans Review and Appeal Board Act* to those persons who have been refused a Disability Pension under the *Pension Act*

Dependent Child in relation to a member or a veteran, means their child, or a child of their spouse or common-law partner who is ordinarily residing in the member's or veteran's household, who is:

1. under the age of 18 years;
2. under the age of 25 years and following a course of instruction approved by the Minister; or
3. over the age of 18 years and prevented by physical or mental incapacity from earning a livelihood, if the incapacity occurred
    a. before the child attained the age of 18 years, or
    b. after the age of 18 years and before the age of 25 years while the child was following a course of instruction approved by the Minister.

Income in respect of a person for a base calendar year, has the same meaning as in Section 2 of the *Old Age Security Act* (including and excepting amounts as outlined in Annex A to this document)

Member: an officer or a non-commissioned member of the Canadian Forces, as those terms are defined in subsection 2(1) of the *National Defence Act*

Orphan in relation to a deceased member or a deceased veteran, means their child, or a child of their survivor who at the time of the member's or veteran's death was ordinarily residing in the member's or veteran's household, who is:

1. under the age of 18 years;
2. under the age of 25 years and following a course of instruction approved by the Minister; or
3. over the age of 18 years and prevented by physical or mental incapacity from earning a livelihood, if the incapacity occurred;
    a. before the child attained the age of 18 years, or
    b. after the age of 18 years and before the age of 25 years while the child was following a course of instruction approved by the Minister

Service-related injury or disease: an injury or a disease that:

1. was attributable to or was incurred during special duty service; or
2. arose out of or was directly connected with service in the Canadian Forces

Survivor in relation to a deceased member or a deceased veteran, means;

1. their spouse who was, at the time of the member's or veteran's death, residing with the member or veteran; or
2. the person who was, at the time of the member's or veteran's death, the member's or veteran's common-law partner

Veteran: a former member

The following definitions are not found in the Act or the Regulations but are provided to support interpretation of this policy and consistency in program administration.

Cancellation: the permanent cessation of the payment of the CFIS benefit at a specific point in time. Cancellation results in termination of entitlement to the CFIS benefit.

Career Transition Services Program approved by the Minister: any program which provides services designed to assist a person to gain the knowledge and skills required to effectively search for employment in the

civilian labour market. Services may include, but are not limited to, assistance with resume writing, interview skills, aptitude, skill and interests assessment, career coaching, provision of information regarding the civilian labour market, and documented and organized job search activities on an ongoing basis.

Delegated Decision Maker: a VAC departmental representative delegated by the Minister to make decisions and perform duties or functions related to the administration of the CFIS as per subsection 67(1) of the *Veterans Well-being Act* and as described in VAC's Delegated Spending and Financial Authorities.

Eligible means the person meets all eligibility requirements for the CFIS as set out in legislation but an eligibility decision has not yet been rendered by the Minister.

Entitled means the person meets all eligibility requirements for the CFIS as set out in legislation and a favourable eligibility decision has been rendered by the Minister.

Following a Course of Instruction Approved by the Minister means, in relation to an Orphan over the age of 18 years (but under the age of 25 years), that the person is enrolled in, attending, or on an authorized break from, a program of study at the secondary or post-secondary level. The program of study must be delivered by an educational institution, technical or vocational school, university, college or other recognized school and must lead to a degree, diploma, certificate or certification.

Local Labour Market means, in relation to commuting, a distance of 40 kilometers or less.

Payment Period: in relation to CFIS, the period beginning with the first day of the first month of a given base calendar year and ending with the earlier of: the last day of the last month which is 12 months later; and the last day of the month following which a new base calendar year begins.

Suspension: the temporary and conditional cessation of the payment of the CFIS benefit for a specified period of time.

Termination: the permanent cessation of CFIS entitlement. Termination may occur as a result of cancellation or failure to meet any criteria of eligibility (e.g., client type).

General

Policy Requirements

Eligibility

As per Sections 27, 28, 29, 30 and 31 of the *Veterans Well-being Act*, the following groups are eligible for the CFIS benefit provided they meet eligibility criteria for income, career transition services participation and/or employment search at the point of application and as required on an ongoing basis thereafter.

NB: The CFIS is not payable to or in respect of a Veteran with service in the CAF on or before April 1, 1947, or during the Korean War as per Section 6 of the Veterans Well- being Act. Veterans with service in the CAF during the First World War, the Second World War or the Korean War may be eligible for income support under the War Veterans Allowance (WVA) program.

Veterans – Under 65 years

1. As per Section 27 of the Act, the CFIS may be payable, on application, to a Veteran under age 65 who had been in receipt of an Income Replacement Benefit (IRB), or would have been in receipt of IRB but for their level of income, and where:
    a. the Veteran is no longer entitled to the IRB;
    b. the Veteran applies for the CFIS within 6 months of cessation of IRB entitlement;
    c. the Veteran meets the prescribed employment search criteria (or has been granted an exception from this requirement by the delegated decision maker); and
    d. a calculation of the amount of CFIS payable to the Veteran that is performed in the month in which the application is made results in an amount greater than $0.

Veterans – Over 65 years

2. As per Sections 27 and 35(5) of the Act, the CFIS may be payable, on application, to a Veteran over 65 years and who had been in receipt of an Income Replacement Benefit (IRB), or would have been in receipt of IRB but for their level of income, and where:
    a. the Veteran is no longer entitled to the IRB;
    b. the Veteran applies for the CFIS within 6 months of cessation of IRB entitlement; and
    c. a calculation of the amount of CFIS payable to the Veteran that is performed in the month in which the application is made results in an amount greater than $0.

Survivors and Orphans – General

3. Where a survivor or an orphan applies for the CFIS, an application for Disability Benefits must be submitted and adjudicated in advance of a determination of a CFIS eligibility decision to determine whether the Veteran's death was service-related or not
4. The delegated decision maker determines whether a death is considered service- related or not based upon a service attributable determination made in respect of the death of the Veteran under the *Pension Act* or Part 3 of the *Veterans Well-being* (See the Disability Benefits in Respect of Death for Survivors and Dependent Children Policy.)

Survivors – Non-service-related Death of a Veteran

5. CFIS may be payable, on application, to a survivor if:
    a. the Veteran was in receipt of the CFIS at the time of their death;
    b. the Veteran died of an injury or disease not related to service;
    c. the survivor, if under 65, meets the prescribed employment search criteria or has been granted an exception from this requirement by the delegated decision maker; and
    d. a calculation of the amount of CFIS payable to the survivor that is performed in the month in which the application is made results in an amount greater than $0.

Survivors – Service-related Death of a Member or Veteran after Age 65

6. CFIS may be payable, on application, to a survivor if:
    a. the member or Veteran died of service-related injury or disease on or after April 1, 2006; and
    b. on the day on which the application is approved, the member or Veteran, if alive, would have been at least 65 years of age.
7. In the case of a survivor as described in the paragraph above, there is no requirement that a calculation of the amount of CFIS benefit payable to the survivor that is performed in the month in which the application

is made must result in an amount greater than $0 as a condition of eligibility. However, a calculation of the amount payable to the survivor will be conducted, and no payment will be made to the survivor until such time as there is an amount owing to the survivor.

8. In cases where a member or a Veteran dies of a service-related injury or disease prior to attaining the age of 65 years, the survivor may be eligible for the Income Replacement Benefit.

Orphans – Non-service-related Death of a Veteran

9. CFIS may be payable, on application, to a Veteran's orphan if:
    a. the Veteran was in receipt of the CFIS at the time of their death; and
    b. the Veteran died of an injury or disease not related to service.

Orphans – Service-related Death of a Member or Veteran after Age 65

10. CFIS may be payable, on application, to an orphan of a member or a Veteran if:
    a. the member or Veteran died of a service-related injury or disease on or after April 1, 2006; and
    b. on the day on which the application is approved, the member or Veteran, if alive, would be at least 65 years of age.

11. In cases where a member or Veteran dies of a service-related injury or disease prior to attaining the age of 65 years, the orphan(s) may be eligible for the Income Replacement Benefit.

Orphan Eligibility – General

12. For the purposes of orphan eligibility, there is no requirement that the calculation of the amount of CFIS benefit payable to the orphan that is performed in the month in which the application is made must result in an amount greater than $0. However, a calculation of the amount payable will be conducted, and no payment will be made to the orphan until such time as there is an amount owing to the orphan.

Incarceration

13. In cases where a Veteran, survivor or orphan is entitled to the CFIS and where the Department is notified that the person has been incarcerated, consideration should be given to the duration of the incarceration and the extent to which the person can reasonably demonstrate that they are looking for, and willing to accept employment in the local labour market, participate in an approved career transition services program or otherwise fulfill any of the requirements for ongoing eligibility.

Canadian Residency

14. CFIS is payable only to residents of Canada per Section 33 of the *Veterans Well- being Act*.
15. A person is presumed to meet the Canadian residency requirement if they remain in Canada for at least 182 days in a given calendar year, as per Section 33 of the *Veterans Well-being Regulations*.
16. A Veteran, survivor or orphan must notify the Department if they intend to be absent from Canada for more than 183 days in a given calendar year as per Section 34 of the *Veterans Well-being Regulations*.
17. An orphan over the age of 18 years who is following a course of instruction outside of Canada is deemed to meet the Canadian residency requirement for the duration of the period during which they are following that course of instruction.

18. A person of no fixed address is deemed to satisfy the residency requirement for the CFIS benefit provided that mechanisms are in place to enable contact between the person and the Department to determine ongoing entitlement for the benefit.
19. A dependent child of a Veteran who is entitled to the CFIS benefit is not required to meet the Canadian residency requirement in order for the Veteran to receive the additional amount in respect of that dependent child, provided that the Veteran provides evidence substantiating that they are financially supporting that dependent child.
20. Where a person entitled to the CFIS is absent from Canada for more than 183 days in a calendar year (other than an orphan described in paragraph 17), their entitlement to CFIS will be terminated.

Application Requirements

Waiver of Application

21. The CFIS benefit may be payable on application, however, as per subsection 78.1(1) of the *Veterans Well-being Act*, an application for the CFIS may also be waived. A delegated decision maker may waive the requirement for an application for the CFIS benefit if the decision maker believes, based on information that has been collected or obtained by the Department, that the Veteran, survivor or orphan may be eligible for the benefit.
22. To the extent possible, existing information should be utilized to determine an individual's eligibility for the CFIS benefit. If the information required to support the application already exists on file, the applicant may not be required to re-submit it to the Department and information to support the waiver of application may be requested by the decision maker (e.g., income information).

General Requirements – Applies to All Applications

23. Unless there is sufficient information on file to grant a waiver as per subsection 78.1(1) of the *Veterans Well-being Act*, an application for the CFIS benefit must be made in writing as per Section 30 of the *Veterans Well-being Regulations*. Applications submitted online through the guided application forms located on the secure My VAC Account (MVA) platform are considered to have been made in writting.
24. The date that an application is deemed to have been made is:
    a. the date indicated by the Canada Post date stamp; or
    b. the date stamp indicating receipt by the Department (hard copy or electronic).
25. All applications for CFIS must be signed (either by hand or electronically if submitted through MVA) as authorized under Section 30 of the *Veterans Well-being Regulations* and must be accompanied by:
    a. A statement of income of the applicant;
    b. A statement of income of the applicant's spouse or common-law partner (if applicable);
    c. A declaration attesting to the truth of the information provided; and
    d. Any other information or documents requested by the Department to enable the determination of eligibility or amount payable.

Veterans – Initial Application Requirements

26. Section 31 of the *Veterans Well-being Regulations* requires that Veterans apply for the CFIS within 6 months of the last day of the last month in which the Veteran was entitled to the IRB. An application submitted by a Veteran beyond this timeframe may be considered by the delegated decision maker if the person provides rationale for the delay which is considered reasonable as per subsection 76(3) of the *Veterans Well-being Act*.

Survivors/Orphans – Initial Application Requirements

27. CFIS applications from survivors and orphans must be accompanied by:
    a. A copy of the death certificate of the member or Veteran; and
    b. Medical reports or other records that document the member's or Veterans' cause of death.
28. Section 31 of the *Veterans Well-being Regulations* requires that certain survivors of Veterans (i.e., where the Veteran was in receipt of CFIS at the time of their death and where the Veteran dies of a non-service-related injury or disease) apply for the CFIS within 6 months of the last day of the month of the Veteran's death. An application submitted beyond this timeframe may be considered by the delegated decision maker if the person provides rationale for the delay which is considered reasonable.
29. There is no prescribed time limit for a survivor to apply for the CFIS benefit if the Veteran or member died of a service-related injury or disease.
30. There is no prescribed time limit for an orphan to apply for the CFIS benefit.

Effective Date - Entitlement

31. The effective date of a Veteran's, survivor's or orphan's entitlement to the CFIS benefit is the date of the favourable eligibility decision.

Date Payable

Veterans under 65 and Survivors in Case of Non-service-related Death under 65

32. Subsection 35(4) of the *Veterans Well-being Act* outlines when the CFIS benefit begins to be payable to these clients. In the case of Veterans who become eligible for the CFIS prior to age of 65, and survivors under the age of 65 in cases where the Veteran had been in receipt of the CFIS benefit at the time of their death and where the Veteran's cause of death was not related to service, the CFIS benefits begins to be payable on the earlier of:
    a. The first day of the month in which the Veteran or survivor begins to participate in a career transition services program approved by the Minister; and
    b. The first day of the month in which an exemption to participation in a career transition services program is granted.
33. Upon initial application, persons referred to in the paragraph above will be deemed to meet the requirement of participation in a career transition services program approved by the Accordingly, the date upon which the CFIS begins to be payable will be the first day of the month in which the application for CFIS is approved.

Survivors - Service-related Death (Member or Veteran 65+)

34. In the case of a survivor where the member or Veteran died of a service-related injury or disease, and where, on the day the application for CFIS was approved, the Veteran would have been at least 65 years of age, the CFIS benefit begins to be payable in accordance with Section 32 of the *Veterans Well-being Act* on the later of:
    a. The first day of the month after the month in which the member or Veteran died; and
    b. The first day of the month that is one year prior to the month in which the survivor's application for the CFIS is approved.

Veteran or Survivor - Non-service-related Death Aged 65+ at Time of Decision

35. If an application for the CFIS benefit is approved for a Veteran who, at the time of the eligibility decision was at least 65 years of age, or a survivor of a Veteran who died of a non-service-related death and who was in receipt of the CFIS at the time of their death and the survivor is at least 65 years of age at the time of the eligibility decision, the CFIS benefit begins to be payable on the first day of the month in which the favourable eligibility decision is made as authorized under subsection 35(5) of the *Veterans Well-being Act*.

Orphans – General

36. In the case of an orphan, Section 32 of the *Veterans Well-being Act* authorizes that CFIS benefits begins to be payable on the later of:
    a. The first day of the month after the month in which the member or Veteran died; and
    b. The first day of the month that is one year prior to the month in which the orphan's application for the CFIS is approved in respect of the orphan.

Rates Payable

37. The CFIS maximum rate payable to a Veteran or a survivor is determined as a sum total amount based upon the number of persons in respect of whom the benefit is payable in accordance with the current published rates.
38. CFIS rates are adjusted on a quarterly basis in January, April, July and October in accordance with the percentage increase in the Consumer Price Index for the quarter ending on the last day of the month which is three months prior to the month of the adjustment as authorized per Section 38 of the *Veterans Well-being*
39. Section 39 of the *Veterans Well-being Regulations* authorizes that in addition to quarterly adjustments, CFIS rates are also increased in accordance with any increase in rates of the Old Age Security Pension and/or Guaranteed Income Supplement as authorized under the *Old Age Security Act*. Accordingly, posted CFIS rates will be adjusted as required to align with these increases.
40. The CFIS benefit is not pro-rated; it is payable from the first of the month and for the entire month, even in cases where a person becomes entitled to the benefit after the beginning of the month. Accordingly, the date payable date will generally precede the effective date of entitlement.

Amount of the Benefit

41. The formula used to calculate the amount of the CFIS benefit payable to a Veteran, survivor or orphan (as the case may be) for each month of a given payment period is found in Section 37 of the *Veterans Well-being Act*. The formula for calculating the CFIS benefit is A – B – C where:

    "A" is equal to the maximum monthly amount payable;

    "B" is equal to the person's income (and that of their spouse/partner if applicable); and

    "C" is equal to the total of monthly benefits from prescribed sources.

42. The respective values of A, B and C are determined based on family composition (*e.*., persons in respect of whom a CFIS benefit is payable), income (see Annex A), and changes in monthly benefits (e.g., amount of OAS payable).

Variable A – Maximum Payable

43. The value of Variable "A" is equal to the sum total of the maximum monthly amount of CFIS payable. It is based on the amounts contained in Schedule 1 of the *Veterans Well-being Act* adjusted forward on a quarterly basis until the benefit is The value of "A" is equal to:
    a. In the case of a Veteran with no dependents, the monthly amount payable to a Veteran;
    b. In the case of a Veteran with a spouse or common-law partner but no dependents, the sum of the monthly amount payable to a Veteran; and the additional monthly amount payable to a Veteran having a spouse or common-law partner;
    c. In the case of a Veteran with a spouse or common-law partner and one or more dependent children, the sum of: the monthly amount payable to a Veteran; the additional monthly amount payable to a Veteran having a spouse or common law partner; and, in respect of each dependent child, the amount payable to a Veteran having one or more dependent children;
    d. In the case of a Veteran with no spouse or common-law partner and one or more dependent children, the sum of: the monthly amount payable to a Veteran; and, in respect of each dependent child, the amount payable to a Veteran having one or more dependent children;
    e. In the case of a survivor, the monthly amount payable to a survivor;
    f. In the case of a survivor and one or more orphans (see definition of **Orphan**), the sum of: the monthly amount payable to a survivor and, in respect of each orphan, the monthly amount payable to an orphan; and
    g. In the case of an orphan, the amount payable to an orphan.

Variable B - Income

44. The value of Variable "B" is equal to 1/12 of the sum total of the income (meaning gross income minus allowable deductions and exemptions as outlined in Annex A) of a Veteran (and their spouse or common-law partner as applicable), survivor, or orphan for the "base calendar year" as defined in Section 36 of the *Veterans Well- being Regulations.*
45. Generally speaking, the CFIS benefit utilizes the definition of income contained in the *Old Age Security* (OAS) *Act*. In turn, this definition relies on Part I, Division B of the *Income Tax Act* ("Computation of Income") to determine what is considered income and/or an allowable deduction for CFIS calculation purposes (See Annex A).
46. Amounts used in the calculation of income for the base calendar year include the gross income reported by the Veteran (for themselves and their spouse or common- law partner as applicable), or the survivor or orphan at time of application or at a particular point in Using these amounts, the value of Variable "B" is forecasted over the next 12 months.
47. The sources of assessable income, allowable deductions and exemptions used to determine Variable B (i.e., the income for the base calendar year) for a Veteran, survivor or an orphan are listed in Annex A.

Variable B – Employment Income

48. As part of the calculation of CFIS amounts payable, Veterans, survivors and orphans are entitled to the following exemptions from employment and self-employment income per base calendar year as authorized under Section 2 of the *Old Age Security Act*:
    a. An exemption of at least $5000 as authorized under Section 2 of the *Old Age Security Act*; and
    b. An additional exemption under the OASA of up to an additional $5,000 (i.e., 50% of the next $10,000).
49. In addition to the exemptions authorized under the *Old Age Security Act*, Veterans, survivors and orphans are also entitled to the following exemptions from net employment, self-employment and rental income per base calendar year as authorized under Section 36 of the *Veterans Well-being Regulations* for the purpose of calculating CFIS amounts payable:

a. For Veterans with no spouse or common-law partner, survivors and orphans, an exemption of $2900; and
b. For Veterans with a spouse or common-law partner, an exemption of $4,200.

50. These exemptions are designed to encourage employment and are not included in the calculation of Variable “B” (see Annex A).

Variable C – Monthly Benefits

51. The value of Variable “C” is equal to the sum total of all amounts payable to the Veteran (and their spouse or common-law partner as applicable), the survivor, or orphan from the following sources as prescribed in Section 37 of the *Veterans Well- being Regulations*:
    a. Income Replacement Benefits payable under the Act;
    b. CAF-LTD payments (i.e., long-term disability [LTD] payments payable under the Service Income Security Insurance Plan [SISIP]);
    c. Disability pension benefits payable under the *Royal Canadian Mounted Police Pension Continuation Act* or *Royal Canadian Mounted Police Pension Superannuation Act* (other than amounts payable for a dependent child);
    d. Old Age Security (OAS) and Guaranteed Income Supplement (GIS) payments payable under the *Old Age Security Act*; and
    e. Compassionate awards payable under Section 34 of the *Veterans Review and Appeal Board Act*.

Reported Changes to Variables A, B, and/or C

52. As per Section 36 of the Regulations, the base calendar year is the 12-month period beginning with any month in which the CFIS is payable. However, in cases where there are any reported changes in household composition (which informs the calculation of Variable “A”) assessable income (Variable “B”) or prescribed monthly benefits (Variable “C”) a new amount of CFIS payable will be calculated and a new base calendar year will be established beginning the first day of the month in which there was a change.

Payments

53. If a CFIS benefit is payable, it will be paid:
    a. to the Veteran, and include all amounts payable to the Veteran and in respect of their spouse and/or common law partner (if applicable) and dependent children (if applicable);
    b. to the survivor, and include all amounts payable to the survivor and in respect of any orphans (if applicable);
    c. to a named guardian or agency who has custody and control of a child in the case of an orphan; or
    d. to the orphan if they are over the age of 18 years and following a course of instruction.

Participation in a Career Transition Services Program

54. Section 35(1) of the *Veterans Well-being Act* outlines that a CFIS benefit is only payable for each month that a Veteran or a survivor whose entitlement to CFIS is in respect of a non-service-related death participates in a career transition services program approved by the Minister to the extent necessary to meet the objectives of the program.
55. A Veteran under the age of 65 or a survivor under the age of 65 whose entitlement to CFIS is in respect of a non-service-related death who is participating in a career transition services program approved by the Minister is considered to meet the prescribed employment search criteria required under Sections 27 and 28 of the *Veterans Well-being Act*.

56. Orphans are not required to participate in a career transition services program nor are they required to participate in employment search activities to maintain their entitlement.
57. Survivors entitled to CFIS in respect of a service-related death are not required to participate in a career transition services program nor are they required to participate in employment search activities to maintain their entitlement.
58. For the purposes of the CFIS program, a career transition services program approved by the Minister includes the VAC Career Transition Services Program along with any other program which similarly provides services designed to assist a person to gain the knowledge and skills required to effectively search for employment in the civilian labour market. Services may include, but are not limited to, assistance with resume writing, interview skills, aptitude, skill and interests assessment, career counselling, provision of information regarding the civilian labour market, and/or job finding assistance.
59. All CFIS recipients are encouraged to participate in a career transition services program of their choosing so long as the program in question provides any of the services described in paragraph above. However, once a Veteran or survivor whose CFIS entitlement is in respect of a non-service-related death becomes entitled to CFIS, they will automatically be referred to the VAC Career Transition Services Program for an initial assessment of vocational skills and Should a Veteran or survivor choose not to avail themselves of the VAC-sponsored program thereafter, any costs associated with their participation in another career transition program will be borne by that person.
60. For the purposes of meeting the requirement for participating in a career transition services program, a Veteran or survivor whose CFIS entitlement is in respect of a non-service-related death is considered to be participating in an approved career transition services program by engaging in an independent search for employment, only if the individual provides documented proof of their job search efforts (e.g., communication with potential employers, confirmed receipt of application,) at the request of the Department.
61. If, after a reasonable amount of time, a Veteran or survivor whose CFIS entitlement is in respect of a non-service-related death has not been exempted from participation in a career transition services program/job search and has not obtained employment, the delegated decision maker may require the individual to enroll in the VAC Career Transition Services Program in order to maintain CFIS eligibility as per subsection 35(1) of the *Veterans Well-being Act*.

Employment Search Requirements

62. Employment provides a sense of purpose and promotes well-being. As per Section 32 of the *Veterans Well-being Regulations*, a Veteran under the age of 65 years and a survivor entitled to CFIS in respect of a non-service-related death must demonstrate they are searching for and are willing to accept employment in their local labour market to maintain entitlement to the CFIS benefit. Failure to meet this requirement may result in termination of entitlement to the benefit.
63. Where a Veteran or a survivor is required to participate in employment search activities, time-limited exemptions may be granted on a case-by-case basis to accommodate for short periods during which a recipient is unable to engage in employment search activities due to illness, bereavement, childbirth, etc.
64. Upon initial application, a person will be considered to meet employment search requirements. However, unless an exemption from participation in a career transition services program has been granted, the person must demonstrate that reasonable and ongoing efforts to obtain employment for which the person is reasonably qualified (by reason of education, skills and experience) are being made.

Exemption from Participation

65. Per subsection 35(2) of the *Veterans Well-being Act*, a Veteran or a survivor who has reached the age of 65 years is not required to participate in a career transition services program or demonstrate they are

seeking and are willing to accept employment in their local labour market.

66. Per subsection 35(3) of the *Veterans Well-being Act*, a delegated decision maker may provide an exemption from participation in a career transition services program or from the requirement to search for and accept suitable employment to a Veteran or a survivor under the age of 65 years who is otherwise required to engage in such.
67. Such an exemption:
    a. Must be of a specified duration;
    b. Must be supported by evidence provided by a health professional that demonstrates that the Veteran or survivor is incapable, due to a physical or mental health problem, from actively participating in a career transition services program;
    c. Must be reviewed at a minimum on an annual basis; and upon review, may be renewed or If an exemption is cancelled, the person must be notified in writing; and
    d. May be granted for other reasons the delegated decision maker considers appropriate, including:
        i. bereavement of an immediate family member;
        ii. serious injury or illness;
        iii. jury duty;
        iv. parental leave; and
        v. where Veterans and survivors under Section 28 of the *Veterans Well-being Act* cannot meet employment search criteria outlined in Section 32 of the *Veterans Well-being Regulations* by reason of engaging in education or skills development training.
68. As per subsection 35(3) of the *Veterans Well-being Act*, exemptions from career transition services participation and searches for employment, may also be granted to Veterans and survivors whose CFIS entitlement is in respect of a non-service- related death in cases such as where:
    a. an individual has secured part-time employment;
    b. an amount of CFIS is payable; and
    c. the individual is unable to work full-time.

When Benefit Ceases to be Payable

69. A CFIS benefit ceases to be payable to a **Veteran under the age of 65 years** and to a **Survivor under 65 years whose entitlement to CFIS is in respect of a non- service-related death** if:
    a. They are not participating in an approved career transition services program as per subsection 35(1) of the *Veterans Well-being Act,* are required to do so and have not received an exemption;
    b. They are not participating in employment search activities and an exemption has not been granted;
    c. A calculation of the amount of the CFIS benefit payable made at the beginning of a base calendar year results in a payment amount of $0; or
    d. The person dies.
70. A CFIS benefit ceases to be payable to a **Veteran over the age of 65** and to a **survivor over the age of 65 whose entitlement to CFIS is in respect of a non- service-related death** if :
    a. A calculation of the amount of the CFIS benefit payable made at the beginning of a base calendar year results in a payment amount of $0; or
    b. The person dies.
71. A CFIS benefit ceases to be payable to a survivor whose entitlement for CFIS in respect of a service-related death upon the death of that person (*e.*., the benefit is payable until death).
72. A CFIS benefit ceases to be payable to an orphan, or to a survivor in respect of an orphan, on the first day of the month after the month that the person no longer meets the definition of an orphan or when the orphan dies.

Requirement to Notify of Changes

73. As required under subsection 34(1) of the *Veterans Well-being Regulations*, a Veteran, a survivor or an orphan in receipt of a CFIS benefit is required to notify VAC in the case of:
    a. any changes in their income;
    b. any changes in monthly benefits; and
    c. any intent to be absent from Canada of more than 183 days.
74. A Veteran in receipt of a CFIS benefit is also required to notify VAC in the case of:
    a. any changes in income of their spouse or common-law partner;
    b. any changes in monthly benefits payable to their spouse or common-law partner;
    c. any changes in spousal or common-law status;
    d. any changes in the number of dependent children;
75. An orphan over the age of 18 years (but under the age of 25 years) who is in receipt of a CFIS benefit is required to notify VAC when they cease to follow a course of instruction approved by the Minister.

Requirement to Provide Information

76. A Veteran, survivor or orphan entitled to a CFIS benefit is also required at any time to provide, at the request of the Department, any other information or document necessary for VAC to determine:
    a. continued eligibility for the CFIS benefit (e.g., evidence demonstrating participation in employment search activities or a career transition services program); or
    b. the amount of CFIS payable as per subsection 34(1) of the *Veterans Well- being Regulations.*
77. Failure to provide information requested by the Department may result in suspension of the CFIS benefit as per Section 34(2) of the *Veterans Well-being Regulations*.

Subsequent Applications

78. Where the CFIS benefit ceases to be payable to a Veteran or to a survivor whose entitlement to CFIS is in respect of a non-service-related death for the reasons specified in paragraph 69, their entitlement will be terminated. Should this occur, these clients may re-apply for the CFIS benefit within a period of 6 months from the last day of the last month in which they were last entitled to the CFIS benefit as per paragraph (c) of Section 31 of the *Veterans Well-being Regulations.*
79. Where a Veteran or a survivor who is eligible in respect of the non-service-related death of a Veteran submits an application for the CFIS benefit after the 6-month period expires, the application will not be approved unless the person provides a rationale for the delay which is assessed as reasonable by the delegated decision maker. Sufficient rationale for late submission of a subsequent application may include, but is not limited to, reasons of illness or bereavement.
80. Aside from rights of review as outlined in this policy, subsequent or new CFIS applications from Veterans or survivors of Veterans who died of a non-service- related injury or illness will not be approved in cases where a person's entitlement to CFIS was terminated for the following reasons:
    a. failure to report intention to be absent from Canada for more than 183 days in a calendar year;
    b. failure to report changes to household income or changes to monthly benefits;
    c. concealment or misrepresentation of evidence or facts used in the determination of eligibility or the calculation of the benefit amount;
    d. failure to provide any requested information; and/or
    e. in the case of a Veteran, failure to report any changes to their spousal or common-law partner status and number of dependent children.
81. An orphan or a survivor who is eligible in respect of the service-related death of a Veteran who makes a subsequent application for the CFIS benefit following a termination of their entitlement is not subject to any of the restrictions outlined in paragraphs 79 and 80; where such individuals make a subsequent application, their eligibility will be determined under Section 29, 30 or 31 of the *Veterans Well-being Act*

as the case may be.

Suspension

82. As per subsection 34(1) of the *Veterans Well-being Regulations* the Department may, at any time, request a person entitled to the CFIS to provide information relating to: income; monthly benefits; marital status; changes in number of dependent children; a course of instruction, or absence from Canada.
83. Where the person fails to provide the information referenced in paragraphs 73 to 76 of this policy within a reasonable time period, the payment of a CFIS benefit may be suspended until the information is provided as per subsection 34(2) of the *Veterans Well-being Regulations*.
84. Prior to the suspension of CFIS benefit payments, a letter notifying the person of the suspension, the effective date of the suspension, the reason for the suspension, and what must be done to resolve the suspension will be provided to the person in writing.
85. Where, subsequent to a suspension, the person provides the information requested by the Department, the person's continued entitlement to the CFIS will be determined and any amount of the CFIS benefit owing to the person will be paid retroactive to the date of the suspension.

Cancellation

86. Pursuant to paragraph (a) of subsection 35(1) of the *Veterans Well-being Regulations,* in cases where a CFIS benefit has been suspended for failure to provide information, and the requested information has not been provided within six (6) months of the effective date of suspension, the CFIS benefit may be cancelled and the person's entitlement to the benefit terminated.
87. Where entitlement to the CFIS benefit is to be cancelled, the effective date of the cancellation will be determined by the delegated decision This date may be the first day of the month in the month after the cancellation decision was made.
88. Per subsection 35(2) of the *Veterans Well-being Regulations,* when a cancellation decision is made, the person will be notified by the Department in writing of the cancellation, the reason(s) for the cancellation, the effective date of the cancellation, and of their rights of review of this decision.

Termination of Entitlement

89. In addition to reasons for suspension and cancellation noted in this policy, there are circumstances in which the termination of entitlement to the CFIS benefit may also occur (as outlined below). In these circumstances, because the CFIS benefit ceases to be payable on the last day of the month, the effective date of termination of benefit entitlement is the first day of the next month.
90. Unless an exemption has been granted, pursuant to subsection 35(2) of the *Veterans Well-being Act*, entitlement to the CFIS benefit will be terminated in cases where a Veteran under the age of 65 or a survivor under the age of 65 whose entitlement is in respect of a non-service-related death of a Veteran no longer demonstrates they are seeking and willing to accept employment in the local labour market or otherwise participate in an approved career transition services program.
91. Entitlement to the CFIS will be terminated in cases where it has been determined that an individual no longer meets the Canadian residency requirements as per Section 33 of the *Veterans Well-being Act*.
92. The entitlement to the CFIS of a Veteran or a survivor who is eligible in respect of the non-service-related death of a Veteran will be terminated in cases where a calculation of the amount of CFIS payable to the individual results in an amount of $0.
93. Entitlement to the CFIS will be terminated in cases where an individual over the age of 18 years (but under the age of 25 years) who had been entitled to CFIS as an orphan by virtue of following a course of instruction approved by the Minister demonstrates they are no longer following the course of instruction.

94. Entitlement to the CFIS will be terminated in cases where an individual over the age of 18 years who is entitled to CFIS as an incapacitated orphan is determined to be no longer incapacitated from earning a livelihood.
95. Where entitlement to the CFIS benefit is terminated for any of the reasons described above, the person will be notified by the Department in writing of the termination, the reason(s) for the termination, the effective date of the termination, and of their rights of review.

Rights of Review

96. A Veteran, survivor or orphan who is dissatisfied with a CFIS decision regarding entitlement, calculation, or cancellation may request a review of that See the Review of Part 1, Part 1.1, Part 2 and Part 3.1 Decisions under the *Veterans Well-being Act* policy.

References

Veterans Well-being Act

Veterans Well-being Regulations Old Age Security Act

Royal Canadian Mounted Police Pension Continuation Act

Royal Canadian Mounted Police Superannuation Act

Review of Part 1, Part 1.1, Part 2 and Part 3.1 Decisions under the Veterans Well-being Act

Waiver of Requirement for Application

ANNEX “A”

VARIABLE “B” INCOME, DEDUCTIONS, AND EXEMPTIONS CANADIAN FORCES INCOME SUPPORT (CFIS)

Section	Category	Amounts

Income

1

(To be reported as income)

Income:

a. Canada/Quebec Pension Plan (CPP/QPP)benefits (excluding lump-sum death benefits and children's benefits)
b. Other pension income, including:
    i. Retirement pensions;
    ii. Superannuation benefits (e.g. Canadian Forces Superannuation, RCMP Superannuation, Public Service Superannuation);
    iii. Payments (including survivor's benefits)received as a result of former employment or contributions to a retirement plan;
    iv. Annuity payments;
    v. Worker's Compensation and foreign pensions (excluding war-related disability pensions).
c. Employment Insurance benefits
d. Net Interest, Dividends and Capital Gains
e. Rents from property
f. Employment income
g. Self-employment income
h. Income from other sources - includes any income that falls within the income sources described as "income" for *Income Tax* purposes, such as:
    i. Alimony;
    ii. Income from Registered Retirement Saving Plans (RRSP)or Registered Retirement Funds (RRIF);
    iii. Scholarships and/or bursaries;
    iv. Retiring allowances;
    v. Sickness, Accident, Disability or Income Insurances (**excluding** EL Benefits, IRB payments, SISIP payments and/or disability pension income pain in accordance with the *Pension Act*);
    vi. Adult training allowances;
    vii. Income averaging annuity contracts;
    viii. Supplementary Unemployment Benefit Plan;
    ix. Income from an estate or trust.
i. Income from a deferred or profit-sharing plan; and
j. Research grants

2	**Deductions from Income** **(To be deducted from total income reported in Section 1)**	**Deductions from Income:** a. RRSP contributions; b. Child care expenses; c. Child support payments payable under a court order made prior to April 30, 1997; d. Attendant care expenses; e. Tuition fees; f. Allowable business investment and/or capital losses; g. Employment and/or student moving expenses; h. Exploration and development expenses; i. Spousal support or a separation allowance paid under a separation agreement or a court order; j. An amount paid to refund an overpayment of Employment Insurance or CPP/QPP Pension Plan benefits, except when the amount of the overpayment was recovered by deductions from current benefits; and k. The first $500 of scholarships and/or bursaries.
3	**Deductions from Employment Income** **(To be deducted from reported employment income in Section 1)**	**Deductions from Employment Income** a. $5,000 plus 50% of the next $10,000 in employment or self-employment income; b. CPP/QPP contributions; c. Employment Insurance premiums; d. Registered Pension Plan contributions; e. Legal expenses incurred to collect salary owing from an employer; f. Rent or value for clergy's residence; g. Teacher's Exchange Fund contributions; h. Meal and Lodging expenses of Railway and/or Transport employees; i. Salesperson's expenses; j. Travelling expenses; k. Union, professional or like dues; and l. Salary and/or disability payment reimbursements
4	**Deductions from Self-employment Income**	**Deductions From Self-Employment Income** Business expenses allowed under the *Income Tax Act* for the purposes of assessing income earned as a result of operating a professional, commission, farming or fishing business

Deductions from Rental Income

5	**Deductions from rental income** **(To be deducted from reported rental income in Section 1)**	a. Property taxes; b. Insurance premiums; c. Maintenance and repair expenses; d. Electricity, heat and water expenses; e. Interest; f. Advertising; and g. Capital cost allowance

Net Income Exemption

6	**“Net” income exemption** **(To be deducted from net income reported in Section 1 following all other deductions)**	As per Section 36 of the *Veterans Well-being Regulations*, the income of a person for a base calendar year **does not include** the aggregate of **net income** from employment, self- employment and rental of property that is equal to or less than: a. $2900 per annum for a Veteran with no spouse or common- law partner; b. $4200 per annum for a Veteran with a spouse or common- law partner; and c. $2900 per annum for a survivor or orphan

Interest Income Exemption

The income of a person for a base calendar year does not include interest income that is less than $140 per annum ($11.67 per month)

7	**Interest exemption** **(To be deducted from interest income reported in Section 1)**	Additionally, allowable deductions from interest income under the *Income Tax Act* include: a. Carrying charges; b. Safety deposit box changes; c. Interest paid on money borrowed to earn investment income; d. Management or safe custody fees; e. Accounting fees; f. Investment counsel fees

		Amounts not assessed as Income
8	**Amounts Not Assessed as Income**	a. Pain and Suffering Compensation (PSC), b. Additional Pain and Suffering Compensation (APSC) c. Disability Award (DA) d. Critical Injury Benefit e. Death Benefit f. Detention Benefit g. Clothing Allowance h. Disability Pension, i. Attendance Allowance, j. Exceptional Incapacity Allowance k. Gallantry Awards, l. Ex-gratia payments m. Social assistance payments from municipal, provincial or federal governments; n. Support or gifts from relatives or registered charities; o. Lottery winnings, p. Municipal tax rebates, q. GST/HST rebates r. Child Tax benefits s. Income received by a dependent child