

Income Replacement Benefit

Effective Date: November 25, 2020

Issuing Authority: Senior Director, Program Policy Directorate

Purpose

1. This policy provides guidance on the administration of the Income Replacement Benefit (IRB). For information on the transitional rules, see [Income Replacement Benefit – Transition Policy](#).

Policy

Definitions

The following definitions can be found in section 2 of the [Veterans Well-being Act](#).

2. **Common-law Partner:** refers to a person who is cohabitating with another person in a conjugal relationship and has done so for a period of at least one year. (See [Establishment of a Common-Law Partnership](#) Policy).
3. **Couples Who Are Living Apart:** For the purpose of the [Veterans Well-being Act](#), a spouse is deemed to be residing with a member or a Veteran, and 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:
 - a. one or both of them having to reside in a health care facility;
 - b. circumstances of a temporary nature; or
 - c. other circumstances not within the control of the member or Veteran or the spouse or common-law partner.
4. **Orphan:** in relation to a deceased member or a deceased Veteran means his or her child, or a child of his or her 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:
 - a. under the age of 18 years;
 - b. under the age of 25 years and following a course of instruction approved by the Minister; or
 - c. over the age of 18 years and prevented by physical or mental incapacity from earning a livelihood, if the incapacity occurred:
 - i. before the child attained the age of 18 years, or
 - ii. 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.

5. **Recent Marriage:** The [Veterans Well-being Act](#) does not apply to a member's or a Veteran's surviving spouse if the member or Veteran dies within one year after the date of the marriage, unless:
 - a. in the opinion of the Minister, the member or Veteran was, at the time of the marriage, in a condition of health that justified them having a reasonable expectation of life for at least one year; or
 - b. at the time of the member's or Veteran's death, the spouse was cohabiting with the member or Veteran in a conjugal relationship, having so cohabited for a period of at least one year.
6. **References to Spouses:** A reference in the [Veterans Well-being Act](#) to a member's or Veteran's spouse is a reference to a person who is married to, and residing with, a member or Veteran.
7. **Survivor:** in relation to a deceased member or a deceased Veteran means:
 - a. their spouse who was, at the time of the members or Veteran's death, residing with the member or Veteran, or
 - b. the person who was, at the time of the member's or Veteran's death, the member's or Veteran's common-law partner.”

The following definitions can be found in the [Veterans Well-being Regulations](#):

8. **Barrier to Re-establishment:** means the presence of a disability or a temporary or permanent physical or mental health problem that limits or prevents an individual's reasonable performance in civilian life of their roles in the workplace, home or community. (See section 1.1, [Veterans Well-being Regulations](#)).
9. **Diminished Earning Capacity (DEC):** means the Veteran is incapacitated by a permanent physical or mental health problem that prevents them from performing any occupation that would be considered to be suitable gainful employment. [See subsection 6(1), [Veterans Well-being Regulations](#)].
10. **Suitable Gainful Employment:** refers to employment for which the Veteran is reasonably qualified by reason of education, training and experience and that provides a monthly rate of pay equal to at least 66 2/3% of the imputed income of the Veteran. [See subsection 6(2), [Veterans Well-being Regulations](#)].

General

11. The IRB recognizes and compensates Veterans for the economic impact that health problem(s), resulting primarily from service, have on a Veteran's ability to earn income and save for retirement. Survivors and orphans may also be eligible for IRB.

12. The IRB is replacing the Earnings Loss Benefit (EL benefit), Career Impact Allowance (CIA) (including the increase to the CIA, also known as the CIA Supplement), the Retirement Income Security Benefit (RISB) and the Supplementary Retirement Benefit (SRB) that were in place until March 31, 2019. For more information on how this change affects those who were in receipt of the above noted benefits prior to April 1, 2019, or information on eligibility for an SRB payout, see the [Income Replacement Benefit – Transition Policy](#).
13. IRB is a monthly taxable financial benefit payable to Veterans who have a barrier to re-establishment in civilian life as a result of physical or mental health problem(s) resulting primarily from service.
14. The IRB provides the Veteran with economic support while he or she is participating in the Rehabilitation Services and Vocational Assistance Program in order to relieve financial pressures to increase the Veteran's chance for success. The IRB may begin to be payable while the application for Veterans Affairs Canada's (VAC) Rehabilitation Services and Vocational Assistance Program (referred to as 'the Rehabilitation Program') application is being assessed.
15. The benefit may be payable for life (if the health problem has caused a DEC) in recognition of the permanent future earnings loss and potential impact this loss may have had on the Veteran's career advancement opportunities and long-term capacity to save for retirement.
16. The IRB has a minimum amount of imputed income (before offsets) to ensure that the Veteran will have an income comparable to a middle class income from all sources.

Veterans

Application

17. Veterans must apply for the IRB before age 65 and, if they have not already done so, must also apply for the Rehabilitation Program under Section 8.

18. Applications for the IRB must be submitted in writing or electronically through MyVAC Account and must include the following:

Information regarding the Veteran's eligibility for the IRB:

- a. medical reports or other records that document the Veteran's physical or mental health problem;
- b. information or documents that indicate the nature of the Veteran's service in the Canadian Armed Forces (CAF); and
- c. any other information or documentation that indicates the circumstances of the Veteran's physical or mental health problem that the Veteran considers relevant in support of the application.

Information for the purposes of the calculation of the monthly IRB amount:

- d. information that is necessary to determine the Veteran's imputed income, such as military rank, class, pay level and category and dates of release; and
 - e. information regarding the amounts of the Veteran's other income, such as employment income, long-term disability or retirement amounts.
19. The Veteran may be requested to provide other documents or information needed to properly administer the benefit, determine the amount of the benefit or determine the eligibility for the benefit.
20. The Veteran must provide a statement declaring the truthfulness of the information provided as part of the application.
21. The legal representative (e.g. power of attorney) of a living Veteran or a living survivor may apply on his or her behalf.
22. A member of the CAF may apply for the IRB prior to release. The Department may consider the application and render a decision regarding whether the member will be eligible when he or she becomes a Veteran. The IRB will not be payable until after his or her release.

Waiver of Application

23. The Department may waive the requirement for an IRB application if VAC believes, based upon information that has been collected or obtained by VAC as part of its ongoing administration of programs and services and daily operations, that the person may be eligible for the benefit (compensation, service or assistance) if the person applied for it. (See [Waiver of Requirement for Application](#) Policy.)

Eligibility

24. IRB is payable to a Veteran who has applied to the Rehabilitation Program and has a physical or mental health problem resulting primarily from service that is creating a barrier to re-establishment in civilian life.
25. The Department will determine whether the Veteran has a physical or mental health problem creating a barrier to re-establishment in civilian life and whether the health problem is resulting primarily from service using the same factors, presumptions and considerations that are used for the Rehabilitation Program. (See paragraphs 16-35 of the [Rehabilitation Services and Vocational Assistance – Eligibility and Application Requirements](#) Policy).
26. If a Veteran has more than one mental or physical health problem resulting primarily from service that is creating a barrier to re-establishment, the Veteran should apply for IRB (and the Rehabilitation Program) for each health problem. This ensures the Department can consider each health problem for the purpose of DEC determination and the calculation of the benefit.

27. A Veteran will receive one IRB payment regardless of how many mental or physical health problems are included in the entitlement for IRB.
28. There is no requirement for a Veteran to reside in Canada to be eligible for the income replacement benefit.
29. For the purposes of this policy, eligibility for IRB may be considered when a Veteran or member is engaged with or transferred to the Supplementary Reserve.

Ineligible Veterans

30. Veterans whose physical or mental health problem resulted primarily from service in the CAF on or before April 1, 1947, or from service in the Korean War as defined in subsection 3(1) of the [Pension Act](#), are not eligible for the IRB.
31. Pursuant to subsection 2(5) of the [Veterans Well-being Act](#), a Veteran is not eligible for IRB if his or her physical or mental health problem was caused by a willful self-inflicted injury or improper conduct on the Veteran's part, including willful disobedience of an order and vicious or criminal conduct.

Re-enrollment in the CAF

32. An individual must be a Veteran (not still-serving) to be eligible for the Rehabilitation Program and the IRB. If a Veteran is participating in an established plan and re-enrolls with CAF, consideration may be given for the Veteran to continue with Participation in the Rehabilitation Program. When a Veteran has engaged in full time capacity with the CAF (i.e. Regular Force, Reserve Force Class C and Reserve Force Class B greater than 180 days), it is reasonable to conclude that the Veteran would not meet the eligibility criteria of having a barrier to re-establishment in civilian life given that he/she is re-enrolling in a fulltime career with the CAF.
33. Where a Veteran who is entitled to IRB re-enrolls in the CAF, he or she may continue to be eligible for the benefit, provided that they continue to meet all eligibility criteria, including participation in the Rehabilitation Program and the presence of a barrier to re-establishment in civilian life.
34. A Veteran who has applied for IRB and subsequently re-enrolls in the CAF can only be found eligible for IRB for health problems primarily resulting from his/her previous periods of military service. He or she cannot be made eligible for any health problem(s) primarily resulting from his or her current period of service based on the current application. Should a Veteran make a further application for a health problem that is primarily resulting from a current period of service, the Veteran may be provided with an IRB eligible decision that is effective as indicated in paragraphs 42 and 44 in the "Date Payable, Continuation of Payment and Duration of Payment" section of this Policy.
35. A member serving in the Regular Force must fully release from the Regular Force in order to enroll in the Reserve Force – including the Supplementary Reserve. Without a break in days

between Regular and Reserve Force service, they remain a member and would not meet the eligibility criteria for the IRB. However, for the purposes of this policy, eligibility may be considered when a Veteran or member is engaged with or transferred to the Supplementary Reserve.

Incarcerated Veterans

36. Veterans entitled to IRB may continue to receive IRB while incarcerated, provided they can participate in the Rehabilitation Program to the extent required to continue the entitlement.
37. Veterans entitled to continue to receive IRB because they have a DEC due to the mental or physical health problem for which they are entitled to IRB, and are no longer participating in the VAC Rehabilitation Program, can continue to receive IRB while incarcerated as indicated in paragraph 47 in the “Diminished Earning Capacity” section of this Policy.
38. Veterans may apply for IRB while they are incarcerated and may become eligible as long as they can meet the eligibility criteria and can participate in the Rehabilitation Program to the extent required to continue the entitlement.

Participation

39. A Veteran who is informed of his or her entitlement to IRB is required to participate in the assessment of his or her needs, and in the development and implementation of his or her VAC Rehabilitation Plan. VAC will inform the Veteran of his or her entitlement to IRB in writing or electronically through My VAC Account. The Veteran is considered to be informed of his or her entitlement when he or she receives the decision letter.
40. Participation in the development and implementation of the Rehabilitation Plan includes completing the assessments or examinations required to develop, evaluate and/or modify the plan, as well as all other actions required to determine and meet plan goals. For further information on participating in VAC’s Rehabilitation Plan, see the [Rehabilitation Services and Vocational Assistance Plan: Assessments, Development and Implementation](#) Policy.

Date Payable, Continuation of Payment and Duration of Payment

41. The IRB begins to be payable on the later of:
 - a. the first day of the month where it is determined that the Veteran has provided all the information, listed in paragraph 18 a.-c. in the “Application” section of this Policy, to the Department as part of the application;
 - b. the day that is one year before the first day of the month in which the Minister determines that the Veteran is entitled to the benefit.
42. Where the Department approved the IRB prior to the member’s release from the CAF, the day referred to in (a) above is the first day of the month in which the member released. If the

member released on the last day of the month, the IRB begins to be payable the first day of the following month.

43. The Veteran is considered to have provided all the information listed in paragraph 18 a.-c. in the "Application" section of this Policy on: the day that the Department receives the information in the mail; the day it is dropped off at a VAC or Service Canada office; or the day the Veteran has submitted the information through My VAC Account.
44. Where a Veteran entitled to IRB has been approved for subsequent health problems at different times, a date payable must be determined for each health problem according to the paragraphs above. Any recalculation of the IRB amount as a result of the entitlement begins to be payable on this date.
45. The IRB ceases to be payable (unless the Veteran has a DEC) on the earlier of:
 - a. the first day of the month after the month in which a Departmental decision maker determines, as a result of an assessment of the Veteran's needs, that a rehabilitation plan should not be developed for the Veteran;
 - b. the first day of the month after the month in which the Veteran completes the part of their VAC Rehabilitation Plan that pertains to the health condition(s) for which they are eligible for IRB;
 - c. the first day of the month after the month in which the plan has been cancelled;
 - d. the first day of the month after the month of the Veteran's 65th birthday; or
 - e. the first day of the month after the month in which the Veteran dies.

Diminished Earning Capacity

46. For the purposes of determining whether IRB will continue to be payable to a Veteran for life, the Department will determine whether a Veteran who is entitled to IRB and has a rehabilitation plan for the IRB eligible physical or mental health problem(s) has a DEC that is due to the health problem(s). This determination must be done before the earlier of the day the rehabilitation plan is complete, or the day on which the Veteran turns 65. In certain circumstances the Department may do a DEC determination after the Veteran turns 65, if the reasons for the delay are reasonable.
47. If the Veteran is determined to have a DEC, the IRB will continue to be payable to the Veteran, even after the rehabilitation plan has been completed or cancelled or after the month of the Veteran's 65th birthday, until the earlier of:
 - a. the first day of the month after the month in which a departmental decision maker determines the Veteran, who has not attained the age of 65, no longer has a DEC; or
 - b. the first day of the month after the month in which the Veteran dies.
48. For Veterans who have turned 65 but have a DEC determination in progress, the IRB payment will cease the first day of the month after the month of the Veteran's 65th birthday. If the Departmental decision maker determines that the Veteran has a DEC, the determination

is deemed to be made the day before the 65th birthday and the IRB becomes payable again the first day of the month following the 65th birthday.

49. Veterans who are determined to have a DEC due to the IRB eligible physical or mental health problem(s) are not required to continue to participate in the VAC Rehabilitation Program in order to remain entitled to IRB, although they may still benefit from the Rehabilitation Program for their health problems.
50. For further information on the Diminished Earning Capacity determinations, see [Diminished Earning Capacity Determination](#) Policy.

Required Medical Examinations and Assessments

51. The Department may require a Veteran who is entitled to IRB to undergo medical examinations or assessments to determine his or her continued entitlement to IRB (section 20 of the [Veterans Well-being Act](#).)
52. Should a Veteran refuse to undergo a medical examination or assessment required to determine their ongoing entitlement to IRB (other than for reasonable circumstances), the Departmental decision maker may consider a suspension or cancellation of the benefit.
53. There may be reasonable circumstances under which a Veteran may delay an examination or assessment that is required by the Department. Examples of reasonable circumstances may include but are not limited to:
 - a. deterioration of health or additional health issues arise (may or may not be primarily resulting from service);
 - b. severe illness of a family member; or
 - c. death of a family member.
54. These delays should be short-term and discussed between the delegated decision maker and the Veteran. There should be substantiating objective evidence to support the need for the delay.
55. The Departmental decision maker may cancel the IRB if the Veteran continues to fail to undergo the required medical examination or assessment for a period of 30 days after the suspension.
56. For more information, see the “Suspension – Veterans”; “Retroactivity of Suspended Payments”; and “Cancellation” sections of this Policy.

Calculation of IRB for Veterans under the Age of 65 (Including the Month of their 65th Birthday) – subsection 19(1) of the Veterans Well-being Act

57. The amount of the IRB payable for a month is calculated using the following formula:

$$\mathbf{A - B = \text{the IRB monthly payment}}$$

Variable “A” is equal to 90% of the Veteran’s imputed income for a month. Variable “B” is the total sum of the amounts payable to the Veteran for a month from sources prescribed in Section 22 of the [Veterans Well-being Regulations](#).

Determination of Variable “A”

58. Variable “A” is equal to 90% of the Veteran’s imputed income for a month. The Veteran’s imputed income for a month is the greater of:

- a. the value of the monthly military salary at final release, or completion of service (depending on the type of service from which the Veteran releases); and
- b. the value of the minimum amount of the imputed income.

59. The value of the monthly military salary and the minimum amount of imputed income are determined on the date on which the benefit is payable (taking into account adjustments), and are compared. The values of these amounts will also be determined in each subsequent year that the IRB is payable (taking into account annual adjustments). The Department will continue to perform comparisons each subsequent year that the IRB is payable to determine the imputed income and corresponding value of “A”. (See the “Adjusting the Monthly Military Salary – Indexation” and “Adjusting the Monthly Military Salary – Career Progression Factor” sections of this policy.)

Monthly Military Salary

60. For a Veteran whose final release was from the Regular Force, the monthly military salary used to determine the imputed income for a month is the salary at the time of release, based on class, rank, incentive pay category and trade group. It does not include monies paid for overtime, overseas deployment, special duty area allowances, etc.

61. The monthly military salary for Reservists who have a base daily rate will be calculated by multiplying the daily rate by 30 days.

62. Subject to paragraph 63, for a Veteran whose final release was from the Reserve Force, the Departmental decision maker will consider the class of service at the time that the event, resulting in the physical or mental health problem for which the Veteran has been approved for IRB, occurred.

- a. If the event occurred during Regular Force Service, the monthly military salary at the time of release from that service will be used to determine the imputed income for a month.

- b. If the event occurred at any time during Class C Reserve Force Service, the monthly military salary on the date of completion of that service will be used to determine the imputed income for a month.
 - c. If the event occurred at any time during either a Class A or Class B Reserve Force service, the monthly military salary used to determine the imputed income for a month is the monthly military salary on the date of completion of that service.
63. In those instances where the Veteran's final release is from the Reserve Force, and the health problem can be associated with a specific event, and the Veteran continued to serve after that event, the Departmental decision maker will choose the period of service that has the highest monthly military salary.
64. In those instances where the Veteran's final release is from the Reserve Force, and the health problem cannot be associated with a specific event, the Departmental decision maker will choose the period of service that has the highest monthly military salary. For example:
- a. The physical or mental health problem is resulting primarily from service due to prevalence factors that are not associated with a particular period of service.
 - b. The physical or mental health problem could have resulted from multiple events, activities or exposure across all the periods of service.
 - c. The Veteran experiences a health problem that cannot be attributed to one particular period of service.
65. Where a Veteran has been approved for IRB for multiple health problems, the monthly military salary will need to be determined for each health problem. The highest monthly military salary will be used. If the Veteran is already in receipt of IRB and becomes approved for subsequent health problems the Department will determine if a higher monthly military salary should be used in the calculation of Variable "A". Any increase to the IRB amount as a result of a higher monthly military salary is effective the date payable of the new health problem.

Adjusting the Monthly Military Salary - Indexation

66. The value of the monthly military salary is determined on the date the IRB is payable and for each subsequent year taking into account an indexation adjustment beginning at the time of release or date of completion of service.
67. The monthly military salary will be indexed annually on January 1st in accordance with the percentage increase to the Consumer Price Index, rounded to the next 0.10% for the year ending on October 31st of the previous year. The Consumer Price Index is the annual average all-items Consumer Price Index for Canada (not seasonally adjusted) published by Statistics Canada.
68. There is no proration of the indexation adjustment for partial calendar years.
69. Where the Veteran's date of release or date of completion of service are in the same calendar year as the date the IRB is payable, there is no adjustment to the monthly military salary until the following January 1st.

70. In no case shall the monthly military salary be reduced as a result of a negative difference in the CPI % change for any particular year ending on October 31st.

Adjusting the Monthly Military Salary – Career Progression Factor

71. When a Veteran is determined to have a DEC due to the mental or physical health problem for which they are entitled to IRB under subsection 18(5) of the [Veterans Well-being Act](#), the Department will recalculate the value of the monthly military salary by applying a career progression factor. The career progression factor is a 1% annual adjustment to the monthly military salary.

72. The value of the monthly military salary will be recalculated based on the Veteran's circumstances, beginning at the time of release, or the date of completion of service (depending on the type of service from which the Veteran releases) to the first day of the month the Departmental decision maker determines the Veteran has a DEC under subsection 18(5) of the [Veterans Well-being Act](#). The value of the monthly military salary will continue to be adjusted each subsequent year.

73. The adjustment of the monthly military salary by the career progression factor has no effect on the amount of the IRB paid to the Veteran any earlier than the first day of the month the Departmental decision maker approves the DEC determination under subsection 18(5) of the [Veterans Well-being Act](#).

74. The Department will determine the number of annual adjustments made to the monthly military salary by the career progression factor taking into account the number of years the Veteran served in the CAF at the time of his or her final release, and the age of the Veteran at date of final release. The monthly military salary will be annually adjusted by the career progression factor until the earlier of 20 years of service or age 60.

75. The number of years of service will be calculated taking into account the following:

- a. Total days served from date of enrollment to date of release or completion of service, for all service periods added together.
- b. For non-continuous periods of service, breaks between periods of service will not be counted in the calculation.
- c. A year is equal to 365.24 days, consecutive or not.
- d. The number of years of service will be rounded down.

76. Example:

Veteran releases from the Regular Force on July 27, 2012 at age 55.
The Veteran has the following periods of service:

Reserve Force Class B: January 5, 1981 – September 30, 1987 [2460 days]

Regular Force: October 1, 1999 – July 27, 2012 [4684 days]

$2460 + 4684 = 7144$ days served

$7144/365.24 = 19.56$ years of service; rounded down to 19 years of service

77. The indexation adjustment and the career progression factor adjustment will be done independently of each other.

78. For example:

Monthly military salary is \$5,000
 $\$5,000 \times 2\%$ (indexation) = \$100
 $\$5,000 \times 1\%$ (career progression factor) = \$50
 $\$5,000 + \$150 = \$5,150$

79. For Veterans who are determined to have a DEC in the same calendar year as their release, there is no adjustment for career progression until the following January 1st.

80. Ongoing adjustments to the monthly military salary by the career progression factor will cease if the Veteran is determined to no longer have a DEC.

Minimum Amount

81. The value of the minimum amount of a Veteran's monthly imputed income on April 1, 2019 is set at \$4,500. This value will be adjusted annually on January 1st in accordance with the percentage increase to the Consumer Price Index, rounded to the next 0.10%, for the year ending on October 31 of the previous year. The Consumer Price Index is the annual average all-items Consumer Price Index for Canada (not seasonally adjusted) published by Statistics Canada.

82. In no case shall the minimum amount be reduced as a result of a negative difference in the CPI % change for any particular year ending on October 31st.

Determination of Variable B (Pre-65)

83. Variable B is the total sum of amounts payable to the Veteran for a month from sources prescribed in Section 22 of the [Veterans Well-being Regulations](#), which includes:

- benefits payable under the *Canadian Forces Superannuation Act*, the *Public Service Superannuation Act* or the *Employment Insurance Act*;
- benefits payable under the *Canada Pension Plan* or the *Act respecting the Québec Pension Plan*, CQLR, c. R-9;
- benefits payable under any employer- sponsored long-term disability insurance plan;
- compensation payable in respect of economic loss under the *Government Employees Compensation Act* or any provincial workers' compensation legislation;
- amounts payable in respect of economic loss arising from a legal liability to pay damages;
- benefits payable under an employer-sponsored pension plan;
- employment income in excess of \$20,000 earned in a calendar year;
- benefits payable under Part I of the *Royal Canadian Mounted Police Superannuation Act*; and
- benefits payable under the *Old Age Security Act*.

84. Amounts payable to the Veteran through the sources above for a dependent child or the Veteran's deceased spouse or common-law partner are not included as an offset.

Employment Income

85. Employment income is income that a Veteran earns as salary, wages, commissions, bonuses, tips, gratuities and honoraria in the employment of another person or business. Employment earnings will always include the income reported in box 14 of the Veteran's T4 slips.
86. Employment income is based on gross employment earnings, before deductions such as taxes, Canada Pension Plan, Employment Insurance, etc.

Self-Employment Income

87. Self-employment income is income amounts that a Veteran earns by labour, or that which resembles income earned by labour:
- a. on one's own behalf;
 - b. as an independent worker or contractor;
 - c. engaged in a business activity on his/her own behalf;
 - d. engaged in the operation of a business as a partnership, co-adventure or corporation;
 - e. any earnings determined to be earnings from self-employment by the Canada Revenue Agency (CRA).

Investment Income

88. Investment income, including but not limited to returns from stocks, bonds, mutual funds, rental properties, etc. should not be considered when determining the amount of IRB payable, unless it has been determined by the Canada Revenue Agency that such income qualifies as being earnings from employment or self-employment.

\$20,000 Employment Income Allowable Earnings

89. Employment and self-employment income less than \$20,000 earned in a calendar year will not be deducted from the IRB. Any employment and self-employment income above the \$20,000 will be offset dollar for dollar. The \$20,000 is not prorated over the year.
90. Employment income earned is calculated for a calendar year (January to December) **except**, in the first year the IRB becomes payable. In the first year employment income earned is calculated during the period beginning on the first day of the month in which the IRB begins to be payable and ending on December 31 of that year.

Converting an Income Amount to a Monthly Amount

91. When the Department does not know the amount of the Veteran's income for a month because the income was paid other than on a monthly basis (e.g., lump sum, periodic payment), the Department will convert the amount to a monthly amount (e.g., a lump sum payment would be divided by 12, and periodic payments would be totaled for the year and then divided by 12). This conversion will be applied to any income paid other than on a monthly basis.
92. The income will be considered as follows:
- if the income relates to the calendar year in which it is paid, it will be considered for the purpose of that calendar year;
 - if the income relates to a previous calendar year(s), it will be considered for the purpose of that previous calendar year(s);
 - if the income relates to a subsequent calendar year(s), it will be considered for the purpose of the calendar year in which it is paid;
 - if the Department is unable to determine what calendar year the income relates to, it will be considered for the purpose of the calendar year in which it was paid.
93. The calculated monthly amounts will be applied to each month the IRB is payable in the calendar year.
94. Example 1: Veteran receives lump sum employment earnings applicable to current calendar year
- IRB begins to be payable on July 1, 2019
- Veteran receives a lump sum payment on November 1, 2019 for employment earnings of \$30,000 for the period of August 2019 – October 2019
- $\$30,000$ minus $\$20,000$ (allowable employment earnings) = $\$10,000$ to be offset in the calendar year
- $\$10,000$ divided by 12 = $\$833.33$ monthly offset
- $\$833.33$ monthly offset for each month (July – December 2019)
- Offsets for this amount will cease January 1, 2020
- Veteran may have overpayments for the months of July – November depending on the amount of the IRB paid to the Veteran for each month
95. Example 2: Veteran receives lump sum liability payment
- IRB begins to be payable on July 1, 2019.
- Veteran receives a legal liability lump sum payment in May 2020 for \$150,000 in respect of economic loss. Covers periods from February 2019 until the Veteran reaches age 65 (assume that this a 15 year period for this Veteran).

Payment is divided by 15 to identify how much is applicable for each year (\$150,000 divided by 15 years = \$10,000 per year)

Previous year 2019: \$10,000 divided by 12 = \$833.33 monthly offset for each month (July – December 2019)

Current year 2020: \$140,000 for current year and future years divided by 12 = \$11,666.66 monthly offset for each month (January – December 2020)

Veteran may have overpayments for months where IRB has already been paid depending on the amount of the IRB paid to the Veteran for each month

Offsets for this amount will cease January 1, 2021

96. Example 3: Veteran receives lump sum employment earnings applying to multiple years

IRB begins to be payable August 1, 2020

Veteran receives lump sum employment earnings of \$75,000 in March 31, 2021, for the five month period of November 2020 to March 2021. It is indicated that the Veteran received \$15,000 for each month (November to March).

Therefore \$30,000 is applicable to 2020, and \$45,000 is applicable to 2021.

Year 2020: \$30,000 minus \$20,000 (allowable employment earnings) = \$10,000 to be offset in the calendar year

\$10,000 divided by 12 = \$833.33 monthly offset (August to December 2020)

Year 2021: \$45,000 minus \$20,000 (allowable employment earnings) = \$25,000 to be offset in the calendar year

\$25,000 divided by 12 = \$2083.33 monthly offset (January – December 2021)

97. Example 4: Veteran receives lump sum earnings payment applying to one year

IRB begins to be payable August 1, 2020

Veteran receives lump sum employment earnings of \$50,000 on July 31, 2021. It is not clear what period of time the earnings relate to.

Therefore \$50,000 is applicable to 2021.

Year 2021: \$50,000 minus \$20,000 (allowable employment earnings) = \$30,000 to be offset in the calendar year

\$30,000 divided by 12 = \$2500.00 monthly offset (January – December 2021)

Converting an Income Amount to a Monthly Amount – Amounts paid prior to April 1, 2019

98. If a Veteran who transitions to IRB because the EL benefit was payable to the Veteran on March 31, 2019 is paid an amount other than on a monthly basis (e.g. a lump sum payment, periodic payments) before April 1, 2019 the Department will determine the monthly amount by converting the amount in accordance with generally accepted actuarial principles.
99. The monthly amount will cease to be an offset the first day of the month after the month in which the Veteran attains the age of 65 years.

Calculation of IRB for Veterans (Post-65) – subsection 19.1(1) of the Veterans Well-being Act

100. The amount of the IRB payable for a month is calculated using the following formula:

$$\mathbf{A - B = \text{the IRB monthly payment}}$$

Variable A

101. Variable “A” is 70% of the IRB the Veteran would have been entitled to for the month in which he or she attained the age of 65 years before the monthly amounts from prescribed sources were taken into account.
102. Variable “A” will be adjusted annually on January 1st by the Consumer Price Index in accordance with the percentage increase to the Consumer Price Index, rounded to the next 0.10%, for the year ending on October 31 of the previous year. The Consumer Price Index is the annual average all-items Consumer Price Index for Canada (not seasonally adjusted) published by Statistics Canada.
103. In no case shall Variable “A” be reduced as a result of a negative difference in the CPI % change for any particular year ending on October 31st.

Determination of Variable B

104. Variable B is the sum of monthly amounts prescribed in Section 24.1 of the [Veterans Well-being Regulations](#), which include:
- a. benefits payable under the *Canadian Forces Superannuation Act* (CFSA), the *Public Service Superannuation Act* or the *Employment Insurance Act*;
 - b. benefits payable under Part 1 of the *Royal Canadian Mounted Police Superannuation Act*;
 - c. benefits payable under the Canada Pension Plan or the Act respecting the Quebec Pension, CqLR, c R-9.
 - d. benefits under the *Old Age Security Act*;
 - e. benefits payable under any employer-sponsored long-term disability insurance plan;
 - f. compensation payable in respect of economic loss under the Government Employees Compensation Act or any provincial workers’ compensation legislation;

- g. benefits payable under an employer-sponsored pension plan; and
- h. employment income in excess of \$20,000 earned in a calendar year.

105. Amounts payable to the Veteran from the sources above for a dependent child or the Veteran's deceased spouse or common-law partner are not included as offsets.

106. For information regarding Employment Income, Self-Employment Income and Investment Income see paragraphs 83 to 88 above.

107. For information regarding the \$20,000 employment income allowable earnings, see paragraphs 89 to 90 above.

108. For information regarding how to convert an amount paid to the Veteran other than on a monthly basis, see paragraphs 91 to 99 above.

Survivors and Orphans

Application

109. Applications for the IRB must be submitted in writing, or electronically through My VAC Account and must include the following:

Information regarding the death of the member or Veteran:

- a. copy of the Veteran's or member's death certificate;
- b. medical reports or other records that document the members or Veteran's injury or disease, diagnosis and cause of death; and
- c. medical and other relevant information surrounding the death.

In certain cases where the information noted above has already been submitted to the Department for purposes of Disability or Death Benefits, it does not need to be resubmitted for purposes of IRB.

Information regarding the relationship to the member or Veteran, as appropriate:

- d. relationship to the Veteran;
- e. marriage certificate; and
- f. age(s) of orphans, and other pertinent information needed to administer the IRB (e.g. attendance in education institution, name of school).

Information necessary for the calculation of IRB:

- g. information regarding other income which the survivor is receiving in respect of the member or Veteran.

110. The Department may request other documents or information needed to properly administer the benefit, determine the amount of the benefit or determine the eligibility for the benefit. This can include names of other known potential beneficiaries (e.g. dependent children/orphans of the Veteran from a previous marriage or relationship).

111. The legal representative (e.g. power of attorney) of a living survivor or living orphan may apply on his or her behalf.

Service-related death of the Member or Veteran prior to age 65

Eligibility

112. The monthly amount of the IRB is payable to eligible survivors or orphans of members or Veterans who die prior to age 65 if the death is the result of:

- a. a service-related injury or illness, or
- b. non-service-related injury or disease that was aggravated by service.

113. The Departmental decision maker determines whether a death is considered service-related or not through disability benefits in respect of death decisions under the *Pension Act* or Part 3 of the [Veterans Well-being Act](#). (See the Disability Benefits in Respect of Death for Survivors and Dependent Children Policy.)

Date Payable and Duration of Payment

114. For an eligible survivor and/or orphan, the IRB begins to be payable on the later of:

- a. the first day of the month after the month in which the member or Veteran dies; and
- b. the day that is one year before the first day of the month in which the Department determines that the survivor or orphan is entitled to the benefit.

115. For an eligible survivor and/or orphan, the IRB ceases to be payable in the following circumstances, subject to suspension and cancellation of the benefit:

- a. on the first day of the month after the month of the death of the survivor or orphan.
- b. for the orphan, in the first day of the month after the month in which the orphan no longer meets the definition of an orphan.

116. The remarriage of a survivor does not affect the ongoing payment of the IRB.

117. IRB becomes payable directly to the orphan on the date he or she turns 18 years of age until the date he or she turns 25 years of age provided he or she continues to follow a course of instruction approved by the Minister.

118. An orphan between the age of 18 and 25 who is not in a course of instruction approved by the Minister following the Veteran's death may subsequently become eligible to receive IRB if they enroll in a course of instruction approved by the Departmental decision maker.

119. An orphan who is prevented from earning a living due to a physical or mental incapacity which occurs prior to the orphan reaching age 18, or after reaching age 18 and before age 25 while the child was following a course of instruction approved by the Minister, shall continue to receive the orphan's IRB until the date the orphan is no longer prevented by a physical or mental incapacity from earning a living.

Calculation of IRB for Survivors and Orphans – Payments for Months up to and Including the Month of the Member or Veteran's 65th birthday

120. The amount of the IRB payable to survivors and orphans for the month in which the member or Veteran, if alive, would have attained the age of 65 years and any month before that month, is:

90% of the imputed income for a month in respect of the deceased member or deceased Veteran.

Determination of the Imputed Income

121. The imputed income for a month in respect of the deceased member or deceased Veteran is the greater of:

- a. the value of the monthly military salary at final release, completion of service, or time of death adjusted to the time the benefit is payable; and
- b. the value of the minimum amount of the IRB.

122. The value of the monthly military salary and the minimum amount of imputed income are determined on the date on which the IRB is payable (taking into account adjustments), and are compared. The values of these amounts will also be determined in each subsequent year that the IRB is payable (taking into account annual adjustments). The Department will continue to perform comparisons each subsequent year that the IRB is payable to determine the imputed income. (See the "Adjusting the Monthly Military Salary – Indexation" and "Adjusting the Monthly Military Salary – Career Progression Factor" sections of this policy.)

Monthly Military Salary – Deceased Member

123. In the case of a member who dies during Regular Force, the monthly military salary used to determine the imputed income for a month is the salary at the time of death.

124. In the case of a member who dies during Reserve Force service the Departmental decision maker will consider the class of service in which the injury or disease that resulted in the death was incurred, contracted or aggravated.

- a. If the injury or the disease was incurred, contracted or aggravated during Regular Force Service, the monthly military salary at the time of release from that service will be used to determine the imputed income for a month.
- b. If the injury or the disease was incurred, contracted or aggravated at any time during Class C Reserve Force Service, the monthly military salary on the date of completion of that service will be used to determine the imputed income for a month.
- c. If the injury or the disease was incurred, contracted or aggravated at any time during either a Class A or Class B Reserve Force service, the monthly military salary on the date of completion of that service will be used to determine the imputed income for a month.

125. The monthly military salary is the monthly rate given the member's class, rank, incentive pay category and trade group. It does not include monies paid for overtime, overseas deployment, special duty area allowances, etc. The monthly military salary for Reservists who have a base daily rate will be calculated by multiplying the daily rate by 30 days.

126. The value of the monthly military salary is determined on the date the IRB is payable and for each subsequent year taking into account an indexation adjustment and a career progression factor beginning at the time of death, or date of completion of service (if the Veteran dies during Reserve Force service). The monthly military salary is adjusted annually on January 1st.

127. The career progression factor is a 1% annual adjustment to the monthly military salary. The Department will determine the number of annual adjustments by the career progression factor taking into account the number of years the member served in the CAF up to and including the day the member died, and the age of the member at the time of death. The monthly military salary will be annually adjusted by the career progression factor until when the Veteran would have achieved 20 years of service or reached the age of 60.

128. The number of years of service will be calculated taking into account the following:

- a. Total days served from date of enrollment to date of death, for all service periods added together.
- b. For non-continuous periods of service, breaks between periods of service will not be counted in the calculation.
- c. A year is equal to 365.24 days, consecutive or not.
- d. The number of years of service will be rounded down.

129. Example:

Member dies on July 27, 2019 during Regular Force service.

The member was age 35 at the time of death.

The member had the following periods of service:

Reserve Force Class B: January 5, 2006 – September 30, 2010 [1730 days]

Regular Force: October 1, 2010 – date of death [3222 days]

$1730 + 3222 = 4952$ days served

$4952/365.24 = 13.5$ years of service; rounded down to 13 years of service

130. The two annual adjustments to the monthly military salary will be done independently of each other:

For example:

Monthly military salary is \$5,000 on January 1st
 $\$5,000 \times 2\%$ (indexation) = \$100
 $\$5,000 \times 1\%$ (career progression factor) = \$50
 $\$5,000 + \$150 = \$5,150$

131. If the IRB becomes payable in the same year as the member's death there is no adjustment for indexation or by the career progression factor until the following January 1st.

Monthly Military Salary – Deceased Veteran

132. In the case of a deceased Veteran whose final release was from the Regular Force, the monthly military salary used to determine the imputed income for a month is the salary at the time of release.

133. In the case of a deceased Veteran whose final release was from Reserve Force service the Departmental decision maker will consider the class of service in which the injury or disease that resulted in the death was incurred, contracted or aggravated.

- a. If the injury or the disease was incurred, contracted or aggravated during Regular Force Service, the monthly military salary at the time of release from that service will be used to determine the imputed income for a month.
- b. If the injury or the disease was incurred, contracted or aggravated at any time during Class C Reserve Force Service, the monthly military salary on the date of completion of that service will be used to determine the imputed income for a month.
- c. If the injury or the disease was incurred, contracted or aggravated at any time during either a Class A or Class B Reserve Force service, the monthly military salary on the date of completion of that service will be used to determine the imputed income for a month.

134. The monthly military salary is the monthly rate given the Veteran's class, rank, incentive pay category, and trade group. It does not include monies paid for overtime, overseas deployment, special duty area allowances, etc. The monthly military salary for Reservists who have a base daily rate will be calculated by multiplying the daily rate by 30 days.

135. The value of the monthly military salary is determined on the date the IRB is payable and for each subsequent year taking into account an indexation adjustment and a career progression factor beginning at the time of release or date of completion of service. The monthly military salary is adjusted annually on January 1st.

136. See paragraphs 66 – 70 of the section "Adjusting the Monthly Military Salary-Indexation" for more information on the indexation adjustment.

137. See paragraphs 71 – 80 of the section "Adjusting the Monthly Military Salary – Career Progression Factor" for more information on the career progression factor.

Minimum Amount

138. The value of the minimum amount of the monthly imputed income of the deceased member or deceased Veteran on April 1, 2019 is \$4,500.

139. See paragraphs 81 – 82 of the “Minimum Amount” section of this policy for more information.

Monthly Prescribed Offsets

140. The amount of the IRB payable is divided based on the rules described in the “Division of the Benefit for Survivors and Orphans” section of this policy prior to any deduction based on the prescribed offsets.

141. The monthly amount of the IRB payable to a survivor is reduced by an amount that is payable to the survivor for a month – in respect of the member or Veteran - from the sources prescribed in subsection 23(1) of the [Veterans Well-being Regulations](#), which includes:

- a. benefits payable under the [Canadian Forces Superannuation Act](#) or the [Public Service Superannuation Act](#);
- b. benefits payable under the [Canada Pension Plan](#) or the [Act respecting the Québec Pension Plan](#), CQLR, c. R-9;
- c. benefits payable under any employer- sponsored long-term disability insurance plan;
- d. compensation payable in respect of economic loss under the [Government Employees Compensation Act](#) or any provincial workers' compensation legislation;
- e. amounts payable in respect of economic loss arising from a legal liability to pay damages;
- f. benefits payable under an employer-sponsored pension plan; and
- g. benefits payable under Part I of the [Royal Canadian Mounted Police Superannuation Act](#).

142. There are no offsets to Orphan's monthly amount of IRB.

Calculation of IRB for Survivors and Orphans – Payments for Months after the Month of the Member or Veteran's 65th birthday

143. The monthly amount of the IRB payable to the survivor and/or orphan for months after the month of the members or Veteran's 65th birthday is 70% of the amount determined by the formula

$$A \times B$$

where

A is 70%; and

B is 90% of the member's or Veterans imputed income for a month.

144. The amount of the IRB payable is divided based on the rules described in the “Division of the Benefit for Survivors and Orphans” section of this policy prior to any deduction based on the prescribed offsets.

145. There are no offsets to Orphan’s monthly amount of IRB.

146. The monthly amount of the IRB payable to a survivor is reduced by an amount that is payable to the survivor for a month in respect of the member or Veteran- from the sources prescribed in subsection 23(2) of the [Veterans Well-being Regulations](#), which includes:

- a. benefits payable under the [Canadian Forces Superannuation Act](#) or the [Public Service Superannuation Act](#);
- b. benefits payable under Part I of the [Royal Canadian Mounted Police Superannuation Act](#);
- c. benefits payable under the [Canada Pension Plan](#) or the [Act respecting the Québec Pension Plan](#), CQLR, c. R-9;
- d. benefits payable under any the [Old Age Security Act](#);
- e. benefits payable under any employer- sponsored long-term disability insurance plan;
- f. compensation payable in respect of economic loss under the [Government Employees Compensation Act](#) or any provincial workers’ compensation legislation; and
- g. benefits payable under an employer-sponsored pension plan.

Non-service related death of a Veteran prior to age 65 who is entitled for IRB at the time of death

147. A lump-sum IRB is payable to eligible survivors and/or orphans of Veterans:

- i. who die prior to age 65 as the result of an injury that is not:
 - a service-related injury or illness, or
 - a non-service-related injury or disease that was aggravated by service;and
- ii. who are entitled to IRB at the time of death.

148. The Departmental decision maker determines whether a death is considered service-related or not through disability benefits in respect of death decisions under the [Pension Act](#) or Part 3 of the [Veterans Well-being Act](#). (See the [Disability Benefits in Respect of Death for Survivors and Dependent Children](#) Policy.)

149. The survivor and/or orphan will be eligible to 24 times the amount of the IRB before offsets that the Veteran would have been entitled to for the month in which they died.

Note: If the Veteran’s IRB amount in the month of the death has been calculated using a protected amount of IRB or a protected minimum amount of IRB (see the [Income Replacement Benefit – Transition Policy](#)), the amount of the IRB for the eligible survivor and/or orphan will be calculated as though these amounts do not apply to the calculation.

150. The amount of the IRB payable is divided based on the rules described in the “Division of the Benefit for Survivors and Orphans” section of this policy.

151. The amount of the IRB is paid as a lump sum.

152. There are no prescribed offsets to the lump sum amount.

Veterans Death at age 65 years or older

Eligibility

153. The monthly IRB is payable to eligible survivors or orphans of Veterans if the Veteran dies on or after their 65th birthday and the Veteran was entitled to IRB at the time of their death.

Date Payable and Duration of Payment

154. For an eligible survivor and/or orphan, the IRB begins to be payable on the later of:

- a. the first day of the month after the month in which the Veteran dies, and
- b. the day that is one year before the first day of the month in which the Minister determines that the survivor or orphan is entitled to the benefit.

155. For an eligible survivor and/or orphan, the IRB ceases to be payable in the following circumstances:

- a. to the survivor, on the first day of the month after the month in which the survivor dies; and
- b. to the orphan, on the earlier of
 - i. the first day of the month after the month in which the orphan is no longer an orphan, and
 - ii. the first day of the month after the month in which the orphan dies.

Calculation for Survivor/Orphan when Veteran in receipt of IRB dies after age 65

156. The monthly amount of IRB payable is 70% of the post-65 reduced IRB amount that the Veteran would have been entitled to at the time of his or her death, before offsets from prescribed sources. If the Veteran died in the month of their 65th birthday the monthly amount payable would be based on IRB amount that the Veteran would have been entitled to for the month after the month in which he or she died.

Note: If the Veteran's IRB amount in the month of the death has been calculated using a protected amount of IRB or a minimum amount of IRB (see the [Income Replacement Benefit – Transition Policy](#)), the amount of the IRB for the eligible survivor and/or orphan will be calculated as though these amounts do not apply to the calculation.

Monthly Prescribed Offsets

157. The amount of the IRB payable is divided based on the rules described in the “Division of the Benefit for Survivors and Orphans” section of this policy prior to any deduction based on the prescribed offsets.
158. The monthly amount of the IRB payable to a survivor is reduced by an amount that is payable to the survivor for a month – in respect of or Veteran- from the sources prescribed in Section 24.3 of the [Veterans Well-being Regulations](#), which includes:
- a. benefits payable under the [Canadian Forces Superannuation Act](#) or the [Public Service Superannuation Act](#);
 - b. benefits payable under Part I of the [Royal Canadian Mounted Police Superannuation Act](#)
 - c. benefits payable under the [Canada Pension Plan](#) or the [Act respecting the Québec Pension Plan](#), CQLR, c. R-9;
 - d. benefits payable under the [Old Age Security Act](#)
 - e. benefits payable under any employer- sponsored long-term disability insurance plan;
 - f. compensation payable in respect of economic loss under the [Government Employees Compensation Act](#) or any provincial workers’ compensation legislation; and
 - g. benefits payable under an employer-sponsored pension plan.
159. There are no offsets to Orphan’s monthly amount of IRB.

Division of the Benefit for Survivors and Orphans

160. If the income replacement benefit is payable to a survivor or an orphan, the following rules apply prior to any deduction of any amounts from prescribed sources:
- a. if there is a survivor but no orphans, the survivor is entitled to 100% of the income replacement benefit;
 - b. if there is a survivor and one or more orphans,
 - iii. the survivor is entitled to 50% of the income replacement benefit, and
 - iv. the orphans are entitled, as a class, to 50% of the income replacement benefit, divided equally among them;
 - c. if there are one or more orphans but no survivor, each of those orphans is entitled to the amount obtained by dividing the income replacement benefit by the number of those orphans.

Increase in the Number of Orphans

161. An increase in the number of orphans will result in the orphans’ IRB benefit being reduced for those orphans in pay at the time of the increase in number, in accordance with the formula described in paragraph 160 above.
162. The orphan IRB benefit payable to those orphans in pay at the time of the increase in numbers will be reduced effective the next payment month immediately following the date of approval (not necessarily the date of eligibility) of the new orphan’s application for benefits.

163. The orphan IRB benefit payable to the “new” orphan(s) will be retroactive to the later of:
- the day after the day of the member’s or Veteran’s death; or
 - the day that is one year prior to the day on which the application was approved.
164. If a former orphan re-establishes eligibility based on entering or re-entering a course of instruction approved by the Minister, IRB benefit payable will be retroactive to the first of the month in which the orphan re-established eligibility.

Decrease in the Number of Orphans

165. A decrease in the number of orphans will result in the remaining orphans having their IRB increased in accordance with the formula described in paragraph 160 of this Policy.
166. The increase in the IRB payable to the remaining orphans will become effective the next month following the date of the decrease in the number of eligible orphans.
167. If the decrease in the number of orphans is caused by the failure or delay of one or more of the orphans in providing proof of following a course of instruction, changes in the division of the IRB amount will be deferred for a period of at least six months from the effective date of the suspension of orphan’s IRB.

Example: Three orphans (ages 14, 16, 20) are in receipt of IRB (\$500 per month each). The orphan aged 20 fails to provide proof of following a course of instruction and therefore the IRB for that orphan is suspended. For a period of six months following the suspension, there is no change to the amount payable to the other two orphans (i.e., their monthly amount continues to be \$500 per month).

See the “Suspension – Orphans” and “Cancellation” sections of this policy for additional information.

Following a Course of Instruction

168. The IRB shall continue in those cases where the orphan is on a break authorized by the school they are attending, or, if the orphan is on summer break and intends to return to school at the beginning of the next scheduled semester or school year.
169. A school year is deemed to be that period commencing on the first day of September and ending on the last day of the following August.

Suspension - General

170. For purposes of this policy, “Suspension” means the temporary and conditional cessation of the payment of IRB for a specified period of time.
171. Before suspending the IRB, the Minister must notify the Veteran, survivor or orphan in writing of the reasons for the suspension and the effective date of the suspension.

Suspension – Veterans

172. The Department may suspend IRB if the Veteran fails to provide the information or documents required under section 25 of the [Veterans Well-being Regulations](#), such as employment income statements, annual statements of amounts from prescribed sources including employment, notice of any changes to amounts payable from prescribed sources, or documents or information for continued eligibility for IRB. There may be reasonable circumstances for delays in providing documentation.
173. The Department may suspend IRB if the Veteran refuses, without reasonable excuse to do so, to undergo a medical exam or assessment required by VAC, under section 20 of the [Veterans Well-being Act](#) in order to verify continued eligibility for the benefit. (See the “Required Medical Examinations and Assessments” section of this Policy.)
174. The Department may suspend IRB if the Veteran fails to comply with the requirement to participate in the development and implementation of the rehabilitation plan, in particular, requirements pertaining to the health problem(s) for which the Veteran is eligible for IRB, (paragraph 18(2)(b) of the [Veterans Well-being Act](#).) Reasonable effort (e.g., contact the participant or reports from providers) should be made to determine whether or not there is reasonable cause for the non-participation or the plan needs to be evaluated to ensure that it remains realistic and achievable. (See the “Participation” section of this policy and the [Rehabilitation Services and Vocational Assistance Plan: Assessments, Development and Implementation](#) Policy.)

Suspension – Survivors

175. The Department may suspend IRB if the survivor fails to provide the information or documents required under section 25 of the [Veterans Well-being Regulations](#), such as annual statements of amounts from prescribed sources, notice of any changes to amounts payable from prescribed sources, or documents or information for continued eligibility for IRB. There may be reasonable circumstances for delays in providing documentation.

Suspension – Orphans

176. The monthly IRB may be suspended if an orphan between ages 18 and 25 fails to:
- a. provide evidence of enrollment, or continuing attendance, in a course of instruction approved by the Minister;
 - b. provide medical evidence that they are prevented by an ongoing physical or mental incapacity from earning a livelihood and the incapacity occurred before the age of 18 or after the age of 18 and before the age of 25 while following a course of instruction approved by the Minister; or
 - c. provide any other reports or documentation needed to properly administer the IRB benefit program.

Retroactivity of Suspended Payments

177. If, subsequent to suspending a Veteran's, survivor's and/or orphan's IRB for their failure to submit required information, and the required information is then provided, the Veteran's, survivor's or orphan's continuing eligibility from the date of suspension will be reviewed and any amount of the benefit owing will be paid retroactive to the date of the suspension.
178. If the suspension is a result of the Veteran's failure to meet the requirements of full participation in the VAC Rehabilitation Program (other than for reasonable circumstances), the IRB will begin to be payable the month in which the Veteran begins to participate again. In certain cases, suspensions may be lifted retroactively if evidence is provided after the suspension that the Veteran was participating during a month the benefit was suspended, or that the Veteran's reasons for not participating are reasonable. (See the *Participation* section of this policy and the [Rehabilitation Services and Vocational Assistance Plan: Assessments, Development and Implementation](#) Policy.)

Cancellation

179. For the purposes of this policy, "cancellation" means the termination of the payment of IRB benefits at a specific point in time.
180. IRB benefits may be cancelled if:
- a. in respect of the suspension described in paragraphs 172,174, 175 and 176 the situation that gave rise to the suspension of the payment of the benefit is not resolved within six months from the effective date of the suspension;
 - b. In respect of the suspension described in paragraph 173, the Veteran continues to fail to undergo the required medical examination or assessment for a period of 30 days after the day on which the IRB is suspended (See the "Required Medical Examinations and Assessments" section of this Policy.); or
 - c. the client provides false or misleading information which impacts on the Veteran's eligibility to or the determination of the amount payable.
181. If the IRB has been cancelled it cannot be re-instated unless as a result of a review by the Minister.
182. On cancelling the IRB, the Minister must notify the Veteran, survivor or orphan in writing of the reasons and effective date of the cancellation, and of his or her rights of review.
183. When IRB is cancelled this could result in an overpayment situation. For more information on the overpayment process see the [Income Replacement Benefit Overpayments: Recovery, Remission and Write Off](#) Policy for more information.

Interest

184. No interest will be paid on any IRB which subsequently becomes payable following the removal of a suspension or cancellation.

Review of Decisions

185. A Veteran, survivor or orphan who is dissatisfied with his or her IRB decision may request a review of the decision. (See the policy [Review of Part 1, Part 1.1, Part 2 and Part 3.1 Decisions under the Veterans Well-being Act](#)).

References

[Diminished Earning Capacity Determination](#) Policy

[Disability Benefits in Respect of Death for Survivors and Dependent Children](#) Policy

[Establishment of a Common-Law Partnership](#) Policy

[Income Replacement Benefit – Transition](#) Policy

[Income Replacement Benefit Overpayments: Recovery, Remission and Write Off](#) Policy

[Payments: A Person Dies Before Receiving Payment](#) Policy

[Rehabilitation Services and Vocational Assistance – Eligibility and Application Requirements](#)

[Rehabilitation Services and Vocational Assistance Plan: Assessments, Development and Implementation](#) Policy

[Review of Part 1, Part 1.1, Part 2 and Part 3.1 Decision under the *Veterans Well-being Act*](#) Policy

[Veterans Well-being Act](#) – sections 18-26.2, 83, and 88

[Veterans Well-being Regulations](#) – sections 1.1, and 17-26

[Waiver of Requirement for Application](#) Policy