

## **Pension for Life (Parliamentary Budget Officer Report)**

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### **Issue**

- In February 2019, the Office of the Parliamentary Budget Officer published a report projecting that 5% of new entrants to Pension for Life would have received more financial support under the previous suite of benefits, with 3% being “greatly disadvantaged.”

### **Background**

- The needs of Canada’s Veterans have changed significantly over the past century. Since the *Pension Act* was introduced in 1919, Veterans Affairs Canada programs and services have continued to evolve to meet Veterans’ changing needs.
- Pension for Life addressed concerns raised by Veteran and military communities by providing those with service-related injury or illness the opportunity to determine the form of compensation that works best for them and their families.
- Pension for Life streamlined a complex suite of benefits, and invested an additional \$3.6 billion into Veterans’ financial security.
- The implementation of Pension for Life successfully converted approximately 80,000 clients in receipt of previous benefits to new benefits.

### **Considerations**

- The Parliamentary Budget Officer’s report found that most Veterans will be financially better off under Pension for Life compared to the previous suite of benefits.
- The report analyzed only those benefits that are tied to Veterans’ specific form of disability compensation. Benefits that were not part of the analysis include: Canadian Forces Income Support, Treatment Benefits, Veterans Independence Program, Long Term Care, War Veterans Allowance, Rehabilitation and Support Services, Critical Injury Benefit, and Education and Training Benefit.
- The Parliamentary Budget Officer concluded that the discontinuation of the Career Impact Allowance Supplement was the main reason for the 5% group’s financial difference. Pension for Life discontinued the Supplement and now compensates for lost career progression through the Career Progression Factor for Veterans who have diminished earning capacity. Younger Veterans with shorter military careers will benefit most from the Career Progression Factor.

**Current Status/Next Steps**

- The Department has reviewed the Parliamentary Budget Officer's report and is monitoring Pension for Life to ensure Veterans' needs are met.