



# THE CANADIAN VETERANS ADVOCACY

*one veteran, one standard*

## **FOR IMMEDIATE RELEASE**

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## **Veterans at the Crossroads**

**OTTAWA, Ontario, November 3, 2011** – This Remembrance Day, as Canadians prepare to honour the 93rd anniversary of the end of First World War, it is important to remember that modern-day military members and veterans are at an historic crossroad; these brave men and women who pledged their lives in the service of Canada cross the divide between the soldiers and veterans of yesteryear and those of tomorrow.

It has been a turbulent year for veterans. It was a year of hope when the Government finally approved Bill C-55. After five long years of combat in Afghanistan and five years of consultations with various national veterans' organizations, the Government granted some relief to those who have suffered under the *New Veterans Charter* (NVC) by acknowledging four of 300 specific recommendations and pledging \$2 billion to improve benefits and services to veterans.

### **Smoke and Mirrors**

The passing of Bill C-55 – the “enhancements” to the *New Veterans Charter* – was met with mixed reviews from the veteran community. Michael L. Blais, CD, founder and president of the Canadian Veterans Advocacy who talks to veterans daily about their concerns knows that “most veterans were disappointed to learn that the commitment of \$2 billion is to be spread over many years.” According to Mr. Blais, this increase will amount to only \$38 million in additional funding per year. “The shine has really worn off the proverbial apple with the recently announced cuts of \$226 million to the Veterans Affairs’ budget,” continues Mr. Blais. “Veterans can do the math, and when the \$226 million is added to the required 5-10% – or \$175-350 million – “strategic review” cuts, well, you can’t tell us that this won’t have any impact on benefits and services for current and future veterans.”

Another great disappointment noted by Mr. Blais was the way in which the Government went about increasing the Earnings Loss Benefit to a minimum \$40 thousand per year before tax, a critical improvement for the most ill and injured veterans. “This was a positive and necessary change,” said Mr. Blais, “but there was nothing stopping the Government from making this regulatory change sooner, before passing Bill C-55.” Mr. Blais talks to veterans who suffered unnecessary financial hardship while waiting for this regulatory change just so the Government could include it as part of its package of legislated “enhancements” to the *New Veterans Charter*.

Veterans are also concerned with the misleading spin the Government has been putting on the “enhanced” *New Veterans Charter*. The Government has been promoting the enhanced charter claiming it provides a much better quality of life for young veterans than the *Pension Act* and claiming it helps disabled veterans focus on wellness and not dwell on disability and dependence. The *Pension Act* was developed after the First World War and it still applies to those surviving Canadian men and women who fought in the Second World War, Korea, the first

Gulf War, a dozen bloody peacekeeping missions in former Yugoslavia and elsewhere as well as veterans from the first five years of the war in Afghanistan some of whom were actually warned by VAC insiders to submit their disability claims prior to April 1, 2006.

### **New Veterans Charter creates financial disadvantages**

“There are studies out there from reputable institutions that prove that the *New Veterans Charter* discriminates against CF members and veterans who have claimed for their service-related disabilities after April 1, 2006,” laments Mr. Blais. “This *Charter* will continue to discriminate against our brave men and women in uniform until significant changes are made.” Mr. Blais is referring to a 2011 study produced by the Defence Management Studies Program at Queen’s University’s School of Policy Studies. The 55-page report, “Supporting Canadian Veterans with Disabilities: A Comparison of Financial Benefits,” was prepared by Dr. Alice Aiken and Amy Buitenhuis, and presents a clear conclusion: “the first and most obvious is that the *Pension Act* provides a significant financial advantage over the *New Veterans Charter* (NVC) for veterans with severe disabilities.” As the authors conclude, “the difference between the *Pension Act* and the NVC compensations is greatest for veterans who live longer, those who are married and have more children, those with a higher disability assessment, and those released at a lower rank. These groups are financially disadvantaged under the NVC compared to the *Pension Act*.”

### **Two Soldiers, Two Standards**

Take the case of two hypothetical 35-year old master corporals deployed near Kandahar, Afghanistan: MCpl Smith and MCpl Jones deployed together on the same tour and both were injured during their deployment. Both soldiers are married, and both have two children.

In January 2006, MCpl Smith was on patrol in the Panjwaii district when the LAV in which she was traveling was hit by a suicide car bomber. MCpl Smith lost both her legs, suffered hearing loss and developed PTSD. MCpl Smith was awarded a benefit of 100% by Veterans Affairs Canada in recognition of the extraordinary sacrifice she made for the nation and for the pain and suffering she will experience for the rest of her life.

In June 2006, MCpl Jones was on a similar patrol. MCpl Jones was also the victim of a suicide bomber and he also lost both his legs, suffered hearing loss and developed PTSD. Just like MCpl Smith, MCpl Jones was awarded a benefit of 100% from Veterans Affairs Canada in recognition of his extraordinary sacrifice and for the pain and suffering he will experience for the rest of his life.

Due to the timing of her injuries and the timing of her claim, MCpl Smith was covered by the old *Pension Act*. Under the *Pension Act*, MCpl Smith receives a pension of about \$4000 per month, tax-free, for the rest of her life. This amount consists primarily of three distinct pension streams: the Disability Pension, the Spousal Pension and the Children’s Pension. Should MCpl Smith die before her husband and children, her family will continue to receive the Disability Pension for a year and then they will be awarded a Survivor Benefit. The pension and benefits offered under the *Pension Act* are all tax-free. If MCpl Smith lives to be 85-years old, she will receive about \$2.4 million over the course of the next fifty years.

Unfortunately, MCpl Jones was injured after April 1, 2006. MCpl Jones is subject to the *New Veterans Charter*. Although his injuries are the same, his needs are the same, and his sacrifice for this nation is the same, MCpl Jones receives a tax-free lump sum Disability Award of about \$286 thousand. It doesn’t really matter how long MCpl Jones lives or whether or not he takes his award in monthly installments. It is likely that the majority of his lump sum award will be used to convert his home to meet his new physical challenges. Beyond this, there is really no provision for his wife and children who have lost access to the Spousal and Children’s Pension programs as well as the Attendant Allowance.

If Veterans Affairs Canada decides that MCpl Jones is completely incapable of gainful employment due to his illnesses and injuries, he may qualify for the Permanent Impairment Allowance. Yet as a double amputee with hearing loss and PTSD it is unlikely he will qualify. Since its inception in 2006 only about 0.1% of VAC clients have ever qualified and even then this monthly benefit is capped at \$1600 per month and is taxed as income.

Assuming MCpl Jones is able to seek gainful employment, he may qualify for the Earnings Loss Benefit which should ensure that his pre-tax income does not fall below \$40 thousand per year. To qualify for this taxed benefit, MCpl Jones must take part in the rehabilitation or vocational assistance program. The vocational assistance program limits MCpl Jones and does may not support his desired educational or training preferences and, as well, the benefit is not universally available to all ill and injured CF members as it excludes some reservists.

Stated simply, over the course of his life, MCpl Jones receives more than a \$1 million less than MCpl Smith because he had the great misfortune of sustaining his injuries after April 1, 2006.

### **When I'm 65?**

As MCpl Smith and MCpl Jones approach the age of 65 they will both be faced with the challenges of aging, yet one of these veterans will be at a distinct disadvantage.

MCpl Smith will continue to receive her life-time pension of about \$4000 per month tax free. With this amount, MCpl Smith should be able to maintain a dignified standard of living and a quality of life envisioned when the Pension Act was originally legislated after World War One.

MCpl Jones will not be so lucky. When he turns 65, any benefits he receives beyond his initial lump sum award will cease. If MCpl Jones had been able to participate in a rehabilitation program and was capable of working but could not find a job, he would qualify for the tax-free Canadian Forces Income Support Program, but unfortunately MCpl Jones found himself too debilitated to participate in this program. At age 65, MCpl Jones will be stripped of his financial dignity and left with only the CPP for support. MCpl Jones may receive the Supplementary Retirement Benefit, another lump sum award given at the age of 65 to help compensate veterans who have been unable to contribute to a retirement fund, but this only amounts to 2% of his total Earnings Loss Benefits and it is subject to tax. Beyond this award, and CPP, MCpl Jones won't have much to keep himself, or his wife, going.

The Government tries to obscure the inequality between pre-2006 and post-2006 veterans by pointing to income replacement provisions that fall beyond the scope of the Disability Award. In so doing, the Government is trying to hide the truth from the general public: benefits such as the Long-Term Disability Award for those wounded veterans who meet the minimum requirements were in place under the pre-existing Service Income Security Insurance Plan (SISIP) program, as was the Exceptional Incapacity Allowance. Programs such as the Earnings Loss Benefit apply only to a niche group of veterans since most veterans who are seriously disabled qualify for the Long-Term Disability Award provided by SISIP.

### **One veteran, one standard**

Despite the promises of the Government, the *New Veterans Charter*, even with its "enhancements," has not improved the quality of life for our ill and injured military members and veterans. It is astounding that it took the past five years for the Government to recognize only four of 300 specific recommendations made by veterans' organizations and prominent advocates. The goal of these veterans' advocates and organizations was simply to achieve some degree of equality and fairness for our most recently disabled veterans, but the Government seems intent on perpetuating the legislated inequality.

Not surprisingly then, Mr. Jim Scott, the father of one of Canada's seriously injured Afghanistan veterans, is rallying his resources and working towards a constitutional challenge of the *New*

*Veterans Charter* and Lump Sum Disability Award. This is what it has come to for veterans today: class action law suits, sit-ins and hunger strikes and protests on Parliament Hill to ensure their voices are heard. With more than a thousand troops still in Afghanistan, it appears the mission is far from over. And here at home, Canadian veterans, who are looking out for their fellow veterans, realize their mission has only just begun.

### **About The Canadian Veterans Advocacy**

The Canadian Veterans Advocacy is a federally registered not-for-profit organization focused on improving the quality of life for Canadian Veterans. The organization was founded in 2010 by Michael L. Blais, CD. Mike was inspired by former PPCLI Colonel (Ret'd) Pat Stogran, Canada's first Veterans Ombudsman, when he watched the colonel stand up for the rights of Canadian Veterans during an extraordinary press conference in August 2010. Not long after this momentous event, Col Stogran was informed that his tenure as Veterans Ombudsman was over. In November 2010, Mike, along with other military, RCMP and police services veterans united in the first annual Canadian Veterans National Day of Protest. Of primary importance was – and is – the restoration of the Social Contract and Sacred Trust between soldiers and the Nation they serve. The government abandoned its soldiers and this social contract in 2006 when it passed the *New Veterans Charter* which replaced the life-time Disability Pension with an inadequate Lump Sum Disability Award.

On November 5, 2011 at 11am the Canadian Veterans Advocacy will be leading the Second Annual Canadian Veterans National Day of Protest on Parliament Hill in Ottawa to support modern-day Canadian veterans. This respectful demonstration will protest the Government of Canada's continued lack of substantive reform and meaningful improvement to the *New Veterans Charter*.

### **INFORMATION**

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