



House of Commons  
CANADA

## **Standing Committee on Veterans Affairs**

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ACVA • NUMBER 012 • 3rd SESSION • 40th PARLIAMENT

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**EVIDENCE**

**Thursday, May 6, 2010**

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**Chair**

**Mr. David Sweet**



## Standing Committee on Veterans Affairs

Thursday, May 6, 2010

• (1100)

[English]

**The Chair (Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC)):** Colleagues, I call the meeting to order. This is the 12th meeting of our study on the new Veterans Charter.

Our witnesses today are Ken Miller, director of...

Go ahead, Mr. Kerr.

**Mr. Greg Kerr (West Nova, CPC):** Mr. Chair, I wonder if I could quickly run through a couple of items to get them on the record.

There are two things we talked about before. One is moving on with the review of the issue of disability pensions. We've talked about it and gone around it; I'd like to urge us to move on and take a look at it. It's an issue that's been raised by many organizations. I talked to Madam Sgro about it, and I know others have talked about it. I'd like to urge us to get that on the agenda as soon as we can, wherever it fits. I think it's important.

The other thing is to move Bill C-473 along through the process as quickly as possible. This is the issue of how we deal with medals, how we look after medals, and so on. I know we have to report back.

If everybody's in agreement, I'd like to see those items move forward without interfering with the normal agenda.

Thank you.

**The Chair:** Thank you, Mr. Kerr.

I should tell you that it's parliamentary practice for bills referred to the committee to take precedence over business, so when we get into that debate, that's the practice.

I'm going to recognize Madam Sgro and then Mr. Vincent.

**Hon. Judy Sgro (York West, Lib.):** On that issue as well, some previous witnesses sent us a letter that had to do with the Agent Orange issue. You will have received the letter, I suspect. It asks when they are going to have an opportunity to come back to the committee. It was on our work plan, so at some point we need to discuss it. There are only so many weeks left.

**The Chair:** That's correct.

**Hon. Judy Sgro:** I think they deserve an answer to their correspondence. If we're not going to be able to fit them in over the next four weeks or so...

**The Chair:** Yes, they're not on the work plan. In fact, our work plan for this new Veterans Charter study goes right to the end of May. The targeted date for the adoption of the draft report is June 3.

**Hon. Judy Sgro:** The issue was on when we reconvened our meeting at the beginning. It was one of several issues over and above the charter.

**The Chair:** I apologize. Yes, you're correct. Yes, it's June 8. Forgive me.

Go ahead, Mr. Vincent.

• (1105)

[Translation]

**Mr. Robert Vincent (Shefford, BQ):** Last week, we talked about the possibility of hearing from Ms. Matteau in one of our upcoming meetings on the New Veterans Charter and its potential negative effects. I would like to know where we have slotted her into our schedule for next week.

[English]

**The Chair:** Thank you, Mr. Vincent. In fact, I was going to address that today. Since you've raised it, we will do it now.

We're looking to bring Madame Matteau, as well as Monsieur Leduc, on May 11. They were suggested by Mr. Oliphant. We'd have three witnesses for two hours.

Is that agreeable to you, Mr. Vincent?

[Translation]

**Mr. Robert Vincent:** Yes.

[English]

**The Chair:** Okay, then I'll ask the clerk to try to make that arrangement for that time. They're all germane to the same issue.

[Translation]

**Mr. Robert Vincent:** I would like to bring up a second point. When I first joined the committee, we talked about suicide in the Canadian army. We said that one of the first studies we would do, after producing the report on the New Veterans Charter, would be on suicide. Not just on suicide by veterans, even though there is a high rate of that, but on suicide in the Canadian Forces in general.

I would like to know where we were thinking of putting that study into our schedule when we come back in September.

[English]

**The Chair:** My suggestion is that it be even before September. When we finish this study and do our report and recommendations, we would be doing a business meeting at that time and then redrafting our priorities. A number of things have been mentioned here today. We'll make sure that we'll have that already done going forward.

[Translation]

**Mr. Robert Vincent:** So when we come back in September, the steering committee will meet to decide the topics for the upcoming meetings. Is that it?

[English]

**The Chair:** As I mentioned before, Mr. Vincent, I'm always at the disposal of the committee and the majority of those who vote, whichever way they like, in terms of how we plan our business.

Go ahead, Mr. Kerr.

**Mr. Greg Kerr:** Mr. Chair, I wasn't trying to interject anything ahead of those items, but I know we've given an undertaking that we'd deal with disability pension and the area of income. I just want to make sure that those items are there when we have our business meeting.

On the other issue, on the bill regarding medals, we have to report on that. I want to make sure that somehow it's looked after so that in the fall it's reported back as well. That's all I was trying to do this morning.

**The Chair:** I think that's a good point. For everybody there are, of course, principal priorities, and that's why I mentioned the parliamentary practice for dealing with legislation. There are things we have time constraints on that are the parliamentary practice as well, but we will make a decision collectively as a committee, and I'll follow whatever your decisions are regarding this when we finish the study and go to our business meeting.

Is that all for business, then?

I will attempt to make sure that I can fully introduce the witnesses. They are Ken Miller, director of program policy; Anne-Marie Pellerin, director of disability programs and income support; and Debbie Gallant, director of benefit operations.

Do all three of you have opening remarks?

**Mr. Ken Miller (Director, Program Policy Directorate, Department of Veterans Affairs):** No, I am the only one, Mr. Chair.

**The Chair:** Mr. Miller, I think you're well aware of how we work here, so you can go ahead and proceed with your opening remarks. Then we'll go to the regular rotation for questions.

**Mr. Ken Miller:** Thank you very much, Mr. Chair and committee members.

I have an opening statement of about ten minutes or so.

Thank you very much for welcoming me and my colleagues here this morning.

We're responsible for different areas related to the new Veterans Charter. Hopefully we can collectively address all of the questions you may have.

[Translation]

Mr. Chair, it is a great pleasure for us to be here today.

[English]

We're pleased to have the opportunity to provide you with more information and clarification with respect to the suite of programs of the new Veterans Charter. We have tabled an information deck that will provide an additional level of detail.

While we're here today to speak specifically about the disability and income support programs, it's important to recognize that these programs work in concert with all the benefits under the new Veterans Charter. It is through the comprehensive nature of the suite of programs that we're able to respond to the needs of our modern-day veterans and their families.

● (1110)

Next week you'll hear from our colleagues on rehabilitation, the career transition program, and mental health services. They also will table additional information decks and offer to walk you through some client case scenarios. Although they are not intended to be a complete representation of all our client cases, they do help to illustrate how the programs of the new Veterans Charter can and do make positive changes in the lives of modern-day veterans and their families.

When we speak of the new Veterans Charter, we must first consider what led to its development. Prior to the new Veterans Charter, Veterans Affairs could only offer disability pensions. Because it acted as a gateway, if someone was eligible for a disability pension, only then could we provide other supports, such as health care and the veterans independence program, and then only in relation to that pension condition.

This gateway delayed treatment and often resulted in lost opportunity for successful rehabilitation and integration, and I do want to stress that point: it's not delayed opportunity, but actually lost opportunity. That's a very important point.

As well, for those who couldn't work, the disability pension did not provide a sufficient income stream to compensate for earnings lost. This caused some clients to focus more on their disability, since under the previous entitlement-based approach, the only way to get more support was to demonstrate increasing levels of disability. This resulted in poor transitioning and needs not being met. This was not our determination alone; this was what Canadian Forces members and veterans, as well as key stakeholders, were telling us.

The new Veterans Charter provides authority to offer a broader range of benefits that focus on re-establishment for today's generation of veterans and their families. The design of the new Veterans Charter is based on modern principles of disability management that stress concepts, including early intervention, a focus on wellness, and support through comprehensive programs of rehabilitation.

As a needs-based program, the new Veterans Charter provides the right level of support in relation to the level of need at the point in time when the need exists. This means that those with the greatest need get the greatest support. While those with less need may get less, they also have access to programs specifically targeted to meet their needs.

The specific features of the new Veterans Charter include, as I'm sure you're aware, a comprehensive rehabilitation program that includes medical, psychological, social, and vocational rehabilitation and a dual approach to financial compensation, and I do want to stress that aspect. The first part of it is a disability lump-sum award for pain and suffering that pays up to \$276,000, and supplementary disability awards may also be paid if the condition worsens over time. The second part of that dual award approach to compensation is a monthly earnings loss benefit that is intended to replace lost income at 75% of pre-release salary while in rehabilitation or until age 65 if seriously disabled and unable to work. As well, the earnings loss benefit is indexed over time, based on a CPI indexing, and capped at 2%.

As well, the charter provides the Canadian Forces income support program. It's a financial safety net to bridge the gap for those who have successfully completed the rehabilitation program and are medically, psychologically, and vocationally able to work, but have not yet been able to find employment. The rates are at \$1,273 per month for a single veteran and at \$1,937 per month for a married veteran. These amounts are not taxable. I want to stress that this program is for individuals who are able and ready to work, but simply have not engaged, so this is not the earnings loss program. This is a social safety net.

Additionally, there is a supplementary retirement benefit that is payable at age 65, recognizing lost opportunity to contribute to retirement savings. This provides 2% of all the earnings loss paid for those who have been totally and permanently incapacitated.

A permanent impairment allowance that provides a monthly benefit payable for life in recognition of lost opportunity recognizes the effects that a permanent and severe impairment related to military service has on employment potential and career advancement. It pays at three grade levels that range from \$536 to \$1,609 and it pays on a monthly basis for life. That is for life, just to stress that point.

• (1115)

As well, there are expanded mental health services and supports; family support benefits; a death benefit for survivors, which is critically important, of \$276,000; monthly earnings loss benefits for survivors...

[Translation]

Do you want me to speak more slowly?

My apologies, sir. I will speak a little slower.

[English]

There is a death benefit for survivors of \$276,000, plus monthly earnings, for survivors of service-related death. That's an important point: the earnings loss that would have been paid to the veteran now pays as well to the survivor.

There are career transition services, expanded access to the public service health care plan, financial counselling, and all-important VAC case managers who coordinate services so that the services are best tailored to the individual needs of releasing Canadian Forces members and their families.

It is also of note, Mr. Chair, that since implementation of the new Veterans Charter, Veterans Affairs and DND have worked to establish integrated personal support centres that co-locate VAC client service staff with Canadian Forces staff to support CF members in their recovery, rehabilitation, and reintegration.

The rehabilitation program is the cornerstone of the new Veterans Charter. It offers comprehensive rehabilitation services to a broader eligibility group than what was available before. While SISIP vocational, rehabilitation, and income replacement programs are aimed primarily at medically releasing members, VAC's rehabilitation program—and by extension the earnings loss program and other financial benefits—is not available only to CF members who are medically releasing from the forces; it also includes CF members who have not medically released but who have a service-related physical or mental health problem that at any time poses a barrier to making or maintaining successful transition to civilian life. This includes, for example, veterans who are diagnosed with service-related post traumatic stress disorder years after leaving the military.

This is an extremely important feature of the new Veterans Charter. The door never closes. The support is available at the point in time in the future when it's needed again. That is a very important guarantee of security for CF veterans.

There are also the spouses or common-law partners of those CF veterans who qualify for rehabilitation but who are unable to participate in vocational rehabilitation due to their disability and, finally, the survivors of CF veterans whose death is related to service. We can provide benefits under the NVC to all of these additional categories of recipients; benefits could not have been provided to them under the previous SISIP regime.

The new Veterans Charter also provides services to those who do not have either a disability or a barrier to re-establishment. All who honourably release have access to career transition services that can help them prepare for and find civilian employment; SISIP vocational rehabilitation is primarily intended for medically released CF members.

[Translation]

The new charter has created many more options to meet the needs of families. Veterans Canada has more options than ever. These options include professional and rehabilitation services that can be provided to the spouses of Canadian Forces veterans who are unable to work. Child care support can also be provided if the veteran is in rehabilitation. Family members can also have access to counselling services.

[English]

As well, there is expanded family access to the public service health care plan. Consistent with previously existing legislation, educational support is available for the children of deceased veterans who were severely disabled or whose death is related to service. In cases of service-related death, death benefits to survivors include the lump-sum death benefit of \$276,000 as well as the monthly earnings loss benefit that would have been paid to the veteran. This pay is irrespective of the income or the future income of the surviving partner.

Another important component of the new Veterans Charter is the mental health services, particularly given that over the past five years the number of clients receiving disability benefits related to psychiatric conditions has increased significantly. You'll hear more about mental health services from our colleagues next week.

The design of the new Veterans Charter ensures that the level of support is proportional to the level of need. It's about providing a level of support at the point in time when the support is needed. It is not about the total amount of money paid over a veteran's lifetime; it is about providing the support and the assistance required when it is required.

In order to implement the programs of the new Veterans Charter, the government invested an additional \$740 million over the first five years to fund the incremental costs over and above expenditures under the old pension program. To date the new Veterans Charter expenditures are \$826 million. If the new Veterans Charter is successful over the long term, more veterans will have had a successful transition to civilian life. If that is achieved, costs could eventually be less. However, if that occurs, it will be because more veterans have successfully made it to civilian life, and that, of course, is the main goal of the program.

I thank you for the opportunity to provide you with this update.

• (1120)

[Translation]

We will be pleased to answer your questions.

[English]

**The Chair:** Thank you very much, Mr. Miller.

We'll go to the first round of questioning.

You have seven minutes, Madam Sgro.

**Hon. Judy Sgro:** Thank you very much for being here and thank you for the work you're doing on behalf of the many veterans in our country.

I continue to have great concerns about this lump-sum payment issue. I can understand in theory why people would have thought it was a good thing, but what I've been hearing clearly from the majority of people is that it is not a success. Is there a reason you have not released any of the analysis that has been done on the lump-sum payment program?

**Mr. Ken Miller:** As members may be aware, the department is presently undertaking a formal evaluation of the new Veterans Charter, including specifically a look at the lump sum and a determination of the extent to which the lump sum is meeting the objectives of the program and the objectives the Government of Canada has for this program.

I certainly appreciate the concern you've expressed, and we've heard it from others. We've heard it expressed in various advisory forums in reports that have been provided to the department. We take that concern very seriously.

We feel it's important to focus on the scope of the problem, to the extent that there is a problem. Certainly there may be some who would use the lump-sum benefit in a way that one might not consider the most appropriate; however, it's also important to point out that for many individuals, the lump-sum payment does result in the outcomes that were intended. It does provide for early opportunities, and many individuals—and we have many solid case examples—use that lump sum to do very good things to help establish themselves and their family in civilian life.

We appreciate the concern. We're very aware of the concern, and our department feels that it's something we must look at and ensure it is addressed to the extent that there may be a problem.

**Hon. Judy Sgro:** How many lump-sum awards are there in an average year?

**Ms. Anne-Marie Pellerin (Director, Disability Programs and Income Support, Department of Veterans Affairs):** The total number of disability awards granted since 2006—and this is to unique clients—would be in the range of 16,700. The number is in the deck that was provided, but it's about 16,000.

**Hon. Judy Sgro:** It's approximately 16,000.

Have you done some follow-up to see how those individuals have managed with that lump-sum payment and where they are today?

**Mr. Ken Miller:** There's presently a survey being undertaken. Our minister in fact referred to it, but I don't recall if it was at this committee or before the Senate. It is not complete at this point. We have some early indicators, but that will be ongoing over the course of the summer. I believe our minister indicated that results would be available at some point through the summer or into the fall.

• (1125)

**Hon. Judy Sgro:** With reference to the reduction in the amount at a 75% level, how was the 75% determined?

**Mr. Ken Miller:** A variety of factors were considered during the design. First, it's important to recognize that there is a principle established in disability management that the amount of support provided by EL—this is the earnings lost program that you're referring to—will be somewhat less than the amount an individual was earning when he or she was actually earning. I know you understand there are principles related to that.

We looked at other programs. There are other points of comparability, such as workers' compensation and so on. Around 70% is a fairly common amount, but we went to 75%. One of the reasons was that it echoes the amount that was already built into the pre-existing program that SISIP offers. A factor we had to consider was that with the new Veterans Charter, we could well have veterans with similar types of disability and similar levels of disability variously entering the SISIP program or the VAC program, so from a Government of Canada perspective it was important to have some consistency to have equity around that. Those are some of the main factors that were considered.

**Hon. Judy Sgro:** Was there any consideration given to the fact that ten years into the career of that individual, had he not been injured, he would have had natural increases in his salary level and his compensation levels?

**Mr. Ken Miller:** Yes, there very much was.

As I'm sure you can appreciate, it is difficult to see into the future and anticipate where somebody may arrive in a career, but it's a real factor. We recognize that to have somebody halted at the point where they were doesn't compensate them fairly into the future. That was one of the key reasons for the creation of the permanent impairment allowance.

The feeling was that we should focus it on those who are most seriously disabled, and the criteria related to it are focused around the more significant injuries. The specific policy objective of the permanent impairment allowance program is to recognize the impact that it can have on career progression and advancement. Now, one could argue whether it fully compensates and fully recognizes, but it does in some measure, and that was certainly the intention.

**Hon. Judy Sgro:** With reference to financial benefits to children and spouses under the new charter, what are the financial benefits to spouses and children to compensate for unpaid care?

**Mr. Ken Miller:** There have been many comparisons made between the approach under the new Veterans Charter and what existed under the Pension Act. As you know, under the Pension Act there were additional amounts paid for dependants, spouses, and children.

When the new Veterans Charter was designed, the approach was to relate income replacement to the amount of income an individual was earning at the time of release from the forces. That's an amount with which they were supporting their families and an amount to which they had become accustomed.

It was based on 75% for all. It applies 75% for all. In that way, no matter what amount they had before, everyone has a similar percentage. If you think about it that way, you could argue that the benefits are built into that percentage, but you're quite right: there

were no specific amounts, either in relation to EL or in relation to the disability award, that specifically recognized dependants in that.

**The Chair:** Thank you, Mr. Miller, and thank you, Madam Sgro.

Go ahead, Monsieur Vincent, for seven minutes.

[*Translation*]

**Mr. Robert Vincent:** Thank you, Mr. Chair. We will try to ask short questions in the hope of getting short answers.

I would like to know to what extent you can make changes to the Veterans Charter under your mandate.

[*English*]

**Mr. Ken Miller:** Of course the authority for the charter is set both in statute and in regulation. We have a certain latitude within the scope of the policy to adjust how we operate the program, but the fundamentals—the benefits and how they operate—are established in law, so that's very much a question for ministers to consider. The basis of it would be a matter to be considered in the House. Regulations are considered by the cabinet, of course, so....

• (1130)

[*Translation*]

**Mr. Robert Vincent:** So, we are talking about the negative effects of this new charter. Just now, you said that your base rate was to give veterans 75% of their salary. You know that, in Quebec, a workplace accident victim gets 90% of his net salary. I do not know what workplace accident victims get in other provinces, nor what you are basing your rate of 75% on. Is it the net salary or the before-tax salary? Really, the 75% that you are giving to veterans, which is taxable as well, leaves very little in their pockets. They might be left with 45% of their salary. I do not see anyone surviving decently on 45% of their salary after an accident that has disabled them for the rest of their lives.

If I understand the system correctly, if a person is disabled for the rest of his life, he gets a lump sum of \$274,000 or \$276,000—I do not recall the exact amount—plus a gross income that corresponds to 75% of the amount he used to earn. For a 20-year-old with 45 years to go before getting a pension, \$276,000 is not a lot on an annual basis. And if that person receives 75% of what he used to earn, how is going to live, to pay for his house, his groceries, his car and everything else? If we listen to you, these people are living like kings, but that it not what is happening in reality. I would like to know what you think.

[*English*]

**Mr. Ken Miller:** Thank you for the question.

The 75% that I referred to is set in statute, so that is law. One could talk about whether the amount is right or not, but that is the amount we have authority to operate on. It is based on the gross pre-release salary of the individual and it's indexed forward in time. It is taxable, as you point out; that's not defined by Veterans Affairs but by colleagues in another department, who determine what constitutes income and is therefore subject to tax.

I should point out, though, that in addition to the \$276,000 there is the permanent impairment allowance. The \$276,000 is not intended to replace income; it is intended to provide recognition to the individual who's been injured, to provide some level of compensation for the pain and suffering they have sustained, and to provide them some opportunity.

There is that, and there is the 75% of the earnings loss, but in addition, as in the example that you cited, if somebody is seriously, permanently disabled for life, then in most cases that person would also be eligible for the permanent impairment allowance. That's an allowance that pays at three different grade levels, from a little over \$500 a month to a little over \$1,600 per month. That's a monthly amount, and it pays for life. If you add that to the amounts that you've already cited, that is a fairly strong level of financial support for the individual.

I should point out, though, something equally important. It may not be something that you add up in terms of dollar value, but the support available through rehabilitation and the various health interventions, as well as other supports that are made available to the family, are also worthy of note.

[*Translation*]

**Mr. Robert Vincent:** I understand that perfectly well; you are including a lot of things. But you are talking about an extreme case. In other cases, people will have a really hard time financially. Take the example of a person who has a 15% disability and who goes through a rehabilitation program, after which he is not successful in finding a job. All that person will get is 75% of his salary. In that case, he does not even get a disability award. If he cannot find a new job, he will continue to receive just 75% of his salary.

From the experience you have gained after years of working with this Veterans Charter, do you not think that it would have been preferable to help people like that by topping up the 75% of gross salary a little, say? In that way, we could compensate them for taking a job at minimum wage.

Let me give you a specific example to make it clearer. Take the case of an army corporal who made \$15 per hour and now drops to 75% of his gross salary, not his net salary. If he found a minimum wage job, you could offer to make up the difference to \$15 per hour so that he would not lose anything. We would only be making up a small part of his salary. That gives the veteran an incentive to get back into the job market, much more than knowing that he will always get 75% of his gross salary, never more, never less, whether he goes back to work or not.

Ms. Pellerin, you work in rehabilitation; you should be in a position to answer the question.

• (1135)

[*English*]

**Ms. Anne-Marie Pellerin:** My colleague Brenda MacCormack will be here next week. She's the director of the rehabilitation program.

But a client with a lower-level salary in the military and perhaps not a serious disability would get a lump-sum payment and go into the rehabilitation program, where there would be a concerted effort to focus on the vocational potential of that individual. They would

work with that individual to find suitable employment in the civilian sector that would result in a wage comparable to what the individual earned previously.

**The Chair:** Do you have anything to add, Mr. Miller?

**Mr. Ken Miller:** I think it's very important, in responding to Monsieur Vincent's comments, to point out that the whole design of the new veterans charter is needs-based. The objective is not simply to provide money to individuals in the absence of need; it is to provide the support they need when the need exists.

To use your example, Monsieur Vincent, most individuals with a lower level of disability, such as 15%—not that you can say everybody with a 15% disability is going to reintegrate—will be able to retrain, reintegrate, and become independent and capable of supporting themselves. That's the goal. It's not to create dependency in individuals so that for the rest of their lives they are dependent on payments from the government. Not everybody can do that, but for those who can that's ideally the goal. It's to provide the right level of support when they need it to get them to that point. It's important to recognize that and not think simply about how much money transfers to them over a lifetime.

One of the significant problems with the old pension act and the disability pension payment was the amount of money that was provided in relation to the time when it was needed. Paradoxically, it didn't provide enough when they were younger, raising families, and really needed it. In many cases they will get more later in life, but that's not when they actually need it. So I just want to make that important point about the needs-based provision.

**The Chair:** Thank you, Mr. Miller.

Before we go on to Mr. Stoffer, you made a comment that 75% is indexed. Is it indexed to the CPI?

**Mr. Ken Miller:** It's based on the CPI and capped at 2%.

**The Chair:** Thank you.

Mr. Stoffer has five minutes.

**Mr. Peter Stoffer (Sackville—Eastern Shore, NDP):** Thank you, Mr. Chair.

Thanks again, folks, for appearing before the committee.

Mr. Miller, I say the following with great respect. When we talked about the lump sum at the concluding remarks to my colleague Judy, you indicated "to the extent that there may be a problem". I'm here to tell you that there is a problem. There's no maybe about it. It is quite serious. We've had some very serious people from very serious organizations tell us that the lump sum is a problem. There's no "may" to it.

I believe that the new Veterans Charter is an improvement—there is no question—but it is a living document, and we need improvements to it.

Victor Marshall of the Gerontological Advisory Council made 16 recommendations to DVA well over a year ago. I'm wondering how many of those 16 recommendations have actually been acted upon.

• (1140)

**Mr. Ken Miller:** Thank you, Mr. Stoffer.



The department is able to act on recommendations that are made and that can be achieved within existing authorities. To the extent that we can do that, we certainly try to. We try to make those improvements.

It's important to appreciate that many of the recommendations from Mr. Marshall's report and from others, such as the recent report on the new Veterans Charter, are recommendations that involve changes to authorities. Those are matters for ministers and for government to consider. They're important recommendations, I agree, but they're certainly not recommendations that the department can act on unilaterally.

**Mr. Peter Stoffer:** You had also indicated, sir, that when it comes to post-traumatic stress disorder, sometimes years later a person can be diagnosed with that.

One of the problems I find my office is dealing with is that many veterans, for example World War II veterans, Korean veterans, Bosnian veterans, or Gulf War veterans, many years later are now feeling the effects of what happened to them. They go to try to make a claim to the DVA, through the various boards, and they're being turned down repeatedly because nothing on their medical file from during their time of service indicated there was a problem.

One of the most difficult things to prove is whether or not they actually have PTSD, even though they've been clinically diagnosed with it and the doctor will say that there's a high probability that the person's concerns are possibly related to their military service.

I have yet to hear of a case where a person has been, many years later, diagnosed with PTSD from a service-related thing and has actually gotten a benefit. Is there any evidence of that? Of all the cases I've dealt with, every single one so far has been denied.

**Mr. Ken Miller:** There certainly is. Debbie may wish to add to this as well.

I think what's important to point out is that the legislation requires that when we provide either a disability pension or a disability award, the decision to do so be based on evidence. There's a scope of evidence or a range of evidence that we can accept and do accept, and it's not all singularly direct evidence like an injury report. There are other types of evidence that are very credible that we can and must look at and accept.

Often that is the problem. You're pointing out something that is real. Sometimes many years later it can be hard to find the evidentiary basis. Whenever we can, we certainly look for that and try to support the client, and make the decision. Yes, there certainly are many cases.

There is a situation in which we typically will see what we like to call the late onset or recurrence of a condition. This situation has particular applicability in the new Veterans Charter. It relates to the fact that the door remains open on rehabilitation, and by extension the door also remains open on the earnings loss benefit.

When somebody has had an injury—maybe it was a physical injury, an injured back, for instance—and has in the early years gone through rehabilitation and done quite well and carried on with life, and many years later, 15 or 20 years later, has had osteoarthritis set

in and they can no longer do it, there's a very clear evidentiary trail that this was connected to service.

We can and do make those connections and re-entitle people. Now we're in the early days of the new Veterans Charter, so we haven't had that passage of time yet. It certainly provides for that. We are always seeing applications from our traditional older veterans today based on injuries or exposures they had, and those decisions are made as well.

**Mr. Peter Stoffer:** I appreciate that on the medical side. I'm focusing more on the psychological side. There's no physical injury; it's a psychological injury, and now they're claiming something happened to them 30 years ago. They're feeling the effects of it now, and they're having difficulty trying to prove that through DVA.

My last question for you, sir, is whether you have had a chance to read the testimony of Major Bruce Henwood.

**Mr. Ken Miller:** Yes, I have.

**Mr. Peter Stoffer:** As you know, he was quite critical of the department. You said—and it's true—the Veterans Charter is needs-based. I agree with that. The problem is—and I don't know whether it's communication from DVA or what—there are an awful lot of veterans who think the needs-based system is based on what's good for the department, not necessarily what's good for the veterans.

We know there are many veterans who get fine quality care from DVA at all levels, but there are just as many veterans who are equally frustrated with the delays, the bureaucracy they have to fight through, the forms they have to fill out, etc.

I would just say in conclusion that I know the department is filled with quality people, but somehow you have to be able to reverse that thinking process of veterans that even if they're turned down, the fact that DVA had their best interest at heart... And it's all based on this, because there is a perception out there that it's needs-based on what's best for the department, not what's best for the veteran.

This is what I've been hearing on the street.

• (1145)

**The Chair:** Thank you, Mr. Stoffer.

Do you want to respond to that to wrap up?

**Mr. Ken Miller:** I have a very brief comment, if I could, Mr. Chair.

I wouldn't agree on your closing point, Mr. Stoffer, but the point you make certainly has some validity to it; in some cases we do have more processes around certain things than optimally we ought to have. It is certainly something we strive to improve.

You may be aware that our department is working on something called "a concept of operations"—our colleague Mr. Hillier spoke recently to the Senate subcommittee about this—and it is about streamlining and simplifying and taking some of the nonsense, if you will, out of some of that process, wherever we can. There are certain legal requirements that we have to maintain. We are a department of government and we have to be accountable around our authorities. But where we can make it simpler, where we can streamline, where we can get rid of the sort of thing that doesn't add value, believe me, we want to do that.

**Mr. Peter Stoffer:** Very good. Thank you.

**The Chair:** Thank you, Mr. Miller.

Now I have Mr. Kerr, for seven minutes.

**Mr. Greg Kerr:** Thank you very much, Mr. Chair.

Welcome. It's a pleasure to have you here today.

I'm going to do some general stuff; my colleagues will ask some specifics.

As you know, we're doing part of the Veterans Charter review as a committee, and either fortunately or unfortunately, the witnesses we tend to hear from are rather critical. I know this is a complicated, frustrating process for everybody, but I want to get into the bigger picture stuff.

I'm absolutely convinced that if we could only put up some interesting wall charts to show what the success rates are, where the failures are, that overall a lot of this is working better than we're hearing. What we hear is where things aren't working, and it colours the picture a bit. I'm not trying to say the world is great; I'm simply saying we tend to hear a lot more about the negative than the positive. As an example, witnesses have said very clearly, "Life was so much better before the charter; if we were only back to the old pension system"...and so on.

Can you give us a comparison, in a general sense, of what we would be missing had the charter not started? I'm not looking for specific individual things as much as what the charter responded to that wasn't there before. We have to really get into that.

**Mr. Ken Miller:** There are a lot of important points there, and I touched on a couple of factors in my opening comments.

Perhaps it is easy at this point to look back and think that somehow it was better, but at the time we were designing the new Veterans Charter that was certainly not the case. A lot of work had gone into the up-front research. We had undertaken studies through things such as the review of the care needs of veterans, which led to an extremely comprehensive look at the existing programs through the Veterans Affairs and Canadian Forces advisory group. There were many experts involved—experts in disability management—who looked at it.

What we were seeing with the pension program at the time was that expenditures were going up. It wasn't that the expenditures were increasing that was so troublesome; it was that they were increasing without a corresponding increase in the outcomes that clients were having. In other words, the Government of Canada was spending the money through that program and clients were not succeeding. They were falling through the cracks. We were hearing that the pension program simply did not provide adequate support. It was not needs-based, so there was not a strong correlation between the needs the individual had and the level of support provided; it was provided irrespective of that.

We also recognized, as I mentioned earlier, that it was a gateway program. Historically it had taken up to two years in the past—we're much better than that now, I'm glad to report—to actually rule on disability pensions. While that was happening individuals had no availability for support from Veterans Affairs. Because it was the

gateway, they had to have that eligibility before we could provide anything else. Well, we knew from a disability management point of view that the further out people are the more lost opportunity there is for people to actually recover.

In relation to that, I also want to point out that people were very much focused, understandably, on their disabilities. They were focused on that because they didn't have enough support, and the only way they could get more support out of the system was to demonstrate they were more disabled. What experts in disability management said was that they needed to focus on getting better, not on the disability and on how unwell they are.

So that is some of the backdrop that I think is very important to understand. I've stressed, and I'll stress again, that the approach is needs-based. It provides the right level of support at the point in time it is needed. But it provides support not just in a different way, but to a broader audience. One of the audiences that was a real gap group were the individuals who had been released some years ago and were still dealing with issues—or will deal with issues into the future—and there was no support for them. That was a very significant and major piece. There was inadequate support for the survivors. With the new death benefit plus the provision of the EL to survivors of CF veterans, that's a substantial piece of support.

There are many things, but I would point those few out to you.

• (1150)

**Mr. Greg Kerr:** That's a segue to where I want to go next. I assume that you're saying... And we fully understand it's not the professional staff who have to look at the changes, it's the ministerial and political level that has to take it and move it on to the next step. That's partly why we're involved the way we are.

I'm going to take it as advice from you that moving back from the charter to days before would be a very aggressive direction in which to go. If that's the case, we know that there are a number of recommendations before government, before the minister and so on... And I think, and I'm saying this as an individual, probably if we're focusing on those particularly... I think there were 16 committee recommendations that were the top ones. If we were to focus on those, would you sense there would be quite an improvement in the issues and the problems we're facing today? I don't expect a political, governmental answer, but do you think from a system perspective that those recommendations would make quite a difference in the way things are going?

**Mr. Ken Miller:** Yes, I do. Those recommendations have been made by individuals who are very able to make recommendations. They're very complementary to observations that have been shared with the department from veterans and from veterans organizations. I certainly would recommend that the committee consider very seriously those sorts of recommendations that come to you.

I think it's important to point out that at the time five years ago when the new Veterans Charter was passed, it was well acknowledged that this was not a perfect solution; it was a very good foundation. It laid the groundwork for the basis of how we should approach the management of disability in the future.

So I would certainly encourage you to recognize, as I believe very firmly myself, that the foundation pieces are right, that they were based on the right ideas. They continue to be based on the right ideas, but we do recognize and we hear from advisory fora and from individual clients that while it serves the needs of many of our clients extremely well, there are some areas where it doesn't do quite as well.

**Mr. Greg Kerr:** Do I have a little more time?

**The Chair:** No, that's it, Mr. Kerr; I'm sorry.

Thank you, Mr. Miller.

That concludes our first round. I'll go to the second round, five minutes, with the Liberal Party.

Madam Crombie.

**Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.):** Thank you, Mr. Chairman.

I'd like to continue on where Mr. Stoffer left off.

We had a number of witnesses, elderly vets, who were very frustrated with the level of services they received from the Department of Veterans Affairs that were less than optimal. Often they were frustrated that they weren't in French, and they were struggling along. In fact they called them business decisions that had been made rather than compassionate decisions—not on an individualized basis. As a result, many decisions are overturned or reversed, but the time is spent and people are frustrated.

I ask you if we can't find a way to treat our veterans with more respect and dignity.

**Ms. Anne-Marie Pellerin:** You're talking specifically about older veterans? For most of the older veterans, they would obviously come into the department or be connected with the department through the pension program. We strive, through both our 33 district offices and our contact centre, to provide information and support to them as needed. There's considerable case management and follow-up with individual veterans.

We talked a little earlier about some of the red tape, the bureaucracy in terms of processing, whether it's pension applications or treatment benefit types of claims that do come in. There's considerable work being done in the department, through this concept of operations that Ken referenced earlier, to strip out as much of that bureaucracy so that we can get the work done, the decisions made, and communicated to the clients as effectively and quickly as possible—

• (1155)

**Mrs. Bonnie Crombie:** Okay, thank you.

I think this is an opportunity for improvement, perhaps, so maybe you can review the testimony that had been made and take it very seriously.

I'd just like to move on as well. We also had a presentation by the charter advisory group. Are you familiar with the new Veterans Charter advisory group? They comment in their report that the disability award given to veterans to compensate for non-economic losses is significantly lower than the amount awarded by the Canadian courts for personal injury claims. So why would it be that

the disability award would be lower than the amount awarded by the courts for similar injuries?

**Mr. Ken Miller:** There are a variety of reasons. At the time when the design work was being done we obviously looked at a number of models and asked what the right amount was. One could debate what the right amount is.

I can tell you what some of the comparables were. We looked at workers' compensation boards, and the amounts where they are applicable tend to be significantly lower. We did look at the courts for the awards that are made there, and at the time—I would stand to be corrected—if memory serves, I believe it was around \$276,000, so a bit above the \$250,000 where we started. I think the current rate is around \$326,000. Again I would stand to be corrected on that.

So we're a bit below where the courts stand. We are exactly where some other federal government programs were, including SISIP, which paid out \$250,000 at the time.

So it was simply decided that was a middle-of-the-road, acceptable, and appropriate amount.

**Mrs. Bonnie Crombie:** Thank you.

Have you released any financial evaluations comparing the advantages of the new charter with what the Pension Act provided? My concern is that the newer vets won't be as well taken care of as the older ones who received the Pension Act benefits. I'm concerned that you've established two tiers of veterans and benefits—the older and the newer.

**Mr. Ken Miller:** We have not released any financial comparisons at this point, but as I mentioned to the chair, there is a formal evaluation happening within the department right now. Phase one of that evaluation has already been published and is public. Phases two and three will be out later this year. I think the final one will be in December, and it will look at some financial comparisons.

Making financial comparisons can be a bit of a misleading thing to do. There has certainly been a tendency to follow the dollars and look at how much one might have received under the old Pension Act compared to the new approach. Comparing total amounts over a lifetime really doesn't prove very much, except that the new approach is different from the old approach.

**Mrs. Bonnie Crombie:** We've heard a lot of frustration with the new approach, and I would ask that you table with the committee the findings of the report when it's finalized.

**Mr. Ken Miller:** Yes.

I think it is very important to make those financial comparisons based on the period of time over which the person has the need. In other words, if the need is for a three-year period while they're in rehabilitation, look at how well supported they are over that period of need. Comparing how much money they get over a lifetime simply demonstrates that the new program is different from the old. Of course it is; it was designed to be different. So what you're comparing is important.

**The Chair:** Thank you, Mr. Miller.

Thank you, Madam Crombie.

Mr. Miller, germane to this question, you said that you're in the first phase and it's public, and then there'll be phase two and phase three. Will your report actually focus on when the moneys were paid out? You talked about the very critical analysis of how close the money follows the need, so will there be a comparison of that?

**Mr. Ken Miller:** My understanding is that the evaluation will look at it in terms of total money. That is a question and a criticism that has been raised by many, so it's fair to present that information and make it available. But the other point of comparison will be related to specific timeframes. That's my expectation.

• (1200)

**The Chair:** Okay, that's great.

Now we'll go to Mr. Lobb for five minutes.

**Mr. Ben Lobb (Huron—Bruce, CPC):** Thank you, Mr. Chair.

Many of my colleagues today have touched on the lump-sum benefit for pain and suffering. Within the mandate of the lump-sum benefit, is there any opportunity to change the way it's delivered or paid out? Can it be paid out over ten years or five years?

**Mr. Ken Miller:** It can't be done within the existing authority. It is defined in law.

You're probably aware that our minister in earlier testimony indicated—and I believe it was to this committee—that he would be very happy to hear your observations or suggestions around that, and he would be prepared to entertain that. But we are talking about an authority issue, so that has certain implications.

From a theoretical model point of view one could talk about different ways in which payments could be made. Some witnesses have spoken to you—and they've been in various reports we've received—about such ideas as structured settlements, where payments could be made over a period of time, etc. So the committee may wish to entertain things like that, but I just want to stress that the authority for the lump-sum payment as it's presently structured is in law.

**Mr. Ben Lobb:** Okay.

To follow up on that point—and pardon me if I've misunderstood any of our witnesses—it seemed to me that a number of witnesses might have been confused about how it worked. They seemed to feel that they would receive a lump sum from Veterans Affairs, and that would be it. I'm sure if you read the testimony you saw that in more than one example. We know that isn't the case.

Where is the disconnect with some of the people who are doing good, hard work lobbying on behalf of veterans, but somehow missing the point there? Is it part of a communication issue at Veterans Affairs? Where is this issue coming from?

**Mr. Ken Miller:** It is an issue. We recognize that. I think you are right to point out that communications could be part of that. My colleague Anne-Marie may wish to speak to that in more detail. We have certainly undertaken many efforts to try to clarify that communication, but there continues to be a lot of focus on the disability award specifically, and it tends to be viewed in the light of being a one-time payment and then that is it: you spend it, it's gone, and the support is over. In fact, the opposite of that is the truth, and the opposite of that is what the design of what the new Veterans

Charter was all about. It was designed to be there, built on a philosophy of the support being available to you when you need it.

The notion around the one-time lump sum and the payment up front was, to the extent that it is possible, that it allows a veteran to accept that the injury has been recognized. That recognition has been provided. There has been some level of compensation provided. You can't undo it. If they have lost their legs, you can't put them back, and there is no amount of money that is going to really compensate them for that loss, but that is the intent of that program. It's an entitlement-based provision of money. Everything else in the new Veterans Charter is needs-based, and that support is there, and it's there indefinitely.

**Mr. Ben Lobb:** I have one final quick question and suggestion. I would strongly encourage Veterans Affairs to begin to communicate that from coast to coast, because, from the testimony I have heard, I think there is a major disconnect.

My last question is whether you could just elaborate on whether you have any metrics or targets set for the delivery of some of the new services, because certainly from what we have heard today, you feel as though the suite of programs is at least acceptable and could be improved upon, but maybe need to be delivered in a more rapid manner. Are there any targets that we could see coming out of this year?

**Ms. Anne-Marie Pellerin:** If we talk about the treatment benefit program as one example, this past fiscal year we took all of the processing out of the department, and it is with our contractor, Medavie Blue Cross at the moment. So it was part of what was originally in the contract, but it enables the contractor to process those claims much more quickly than we were able to do within the department.

Just this week we have delegated decision-making authority, with the proper financial instruments, that previously had centred or rested with head office for certain categories of benefits, so that the case managers at the front line can make those decisions and make them much more rapidly. So the client winds up getting the benefit in a much more timely fashion than has been the case previously.

•(1205)

**Mr. Ken Miller:** That's a really important point, and I would like to reinforce that a bit. In a needs-based approach, having the decision made as close to the client as possible is really critical, because they are the people who know the client, know the issues, are familiar with the medical reports, and so on. We're very much in a transitional phase of moving to that. You can't do it overnight, but we are making very good progress there. Our ADM responsible for client services and commemoration, Mr. Hillier, has spoken about his concept of operations. One of the key features is, over time, to adjust where we have people located in relation to where the service demand and need are. With the increasing number of Canadian Forces clients and at the same time a declining number of traditional veterans clients, we really have to balance where we have those points of service, to increasingly have them at places where there are CF veterans, such as on bases. So that is something that is happening on a long-term basis.

**The Chair:** Thank you, Mr. Miller and Mr. Lobb.

We now move on to Mr. Vincent for five minutes.

[Translation]

**Mr. Robert Vincent:** Thank you, Mr. Chair.

Let me be more specific. Mr. Kerr raised a very pertinent question, but I do not think he got an answer. Let me give you a real case. A person is injured and loses, say, both legs. That gets him a disability award of 100%. If that person had been injured before 2004, that is, before the New Veterans Charter came into effect, he would have received \$5,400 per month. Under the new charter, the person receives a lump sum of \$265,000, plus a pension of between \$1,100 and \$1,200 per month. Is that more or less how the old charter compares to the new one?

[English]

**Mr. Ken Miller:** Such an individual with a double leg amputation would unquestionably be assessed at 100% disability under both the old approach and the new approach. Under the former disability pension it would result in a monthly pension payment of approximately \$2,500 a month for a single rate. Additional amounts would be paid if that person were married or had dependants. They would also very likely qualify for attendants allowance and exceptional incapacity allowance.

Under the new Veterans Charter the individual would receive a lump-sum amount of \$276,000. The amount of EL received would vary depending on the income they had at the time of release. As I mentioned earlier, it would be 75% of their income. They would also unquestionably qualify for the permanent impairment allowance I mentioned. A double leg amputation—I stand to be corrected—would pay at the higher grade level of approximately \$1,600 plus other supports, medical supports, and so on. That's basically your comparability.

[Translation]

**Mr. Robert Vincent:** Okay. If we stay with the same example, this master corporal received \$5,400 under the old charter, but under the new one, he would get \$1,600 per month, which is a difference of \$3,800 per month. That is a big difference, even if you add in the lump sum payment of \$267,000 or so. If you spread it out over

35 years—the person has 35 years before his pension if he is 30 years old—that is not a lot. We are a long way from a reasonable standard of living.

It must be said that these payments are made if the person's claim is accepted. The problem of getting the claim accepted still remains. Generally speaking, what proportion of these claims is accepted? How many of them do you contest? How long can it take for a person's file to make the rounds of the system before it is acknowledged that he was injured? I can offer you the Nicolas Magnan case as an example; he has now been waiting for 28 months after being injured and his case is still not resolved. He is still appealing it.

It is all very well to have a doctor telling someone that his two ankles are no longer working, that they will never work again and that they are going to remain rigid. But the file takes three or four years to make the rounds of the system before the injury is acknowledged. What does the person live on in the meantime? Why is it so difficult to get these claims approved?

You said earlier that it was because of government legislation. But it is not the government that processes claims from veterans, it is the officials from this department.

•(1210)

[English]

**Mr. Ken Miller:** If the situation is such that there is a service-related injury and the evidence required to demonstrate the connection to service is there, it simply should not take that long. And I concede your point that if it does, then we have to do better about making sure that is not the case.

I would point out that where either a disability award or a disability pension is concerned, it is an evidentiary-based process and there has to be evidence. While we may try to simplify and streamline, it does take a certain amount of time.

It was an important design consideration of the new Veterans Charter that we recognized that the disability compensation part of the process took time. Recognizing that, we didn't want to see delays in the onset of rehabilitation and treatment for the client, or for that matter, economic support while they were going through rehabilitation.

This is critically important to the question you raise. When somebody in that situation has an application before the department for a disability award, while it is being processed it is still possible for them to access the support they need under the rehabilitation program and receive the earnings loss benefit. It was designed that way deliberately. It was designed with a softer threshold of evidence. It's a fairly strong threshold of evidence for a disability award because it is evidentiary-based.

For the rehabilitation program, it's more a question of probability. Is it reasonable that the injury the person is presenting with came out of service? If the answer is yes, then the response is that they're eligible. That is demonstrated quite strongly if you look at our approval rates for rehab today. Approximately 96% are approved for rehab and accepted into the program, and that treatment is started instantly. So that's really what's important here.

**The Chair:** Thank you very much.

Now we're on to Mr. Mayes for five minutes.

**Mr. Colin Mayes (Okanagan—Shuswap, CPC):** Thank you, Mr. Chair.

Thank you to the witnesses for being here. I really do appreciate the challenges you have in your jobs. To try to put a value on compensation for those who have served is very difficult. Just to determine, for instance, the potential earnings of a veteran, and what kind of compensation a veteran should have for a personal injury, is really difficult, because there are a lot of variables there.

I'm not really a big fan of your term "financial compensation", because that is almost as though you're measuring it, and you can't do that. There are too many variables. I like "financial settlement", because it's actually an agreement between the client and the Government of Canada to say they're settling on this amount because they feel it is reasonable compensation for those injuries.

It's also about financial care. It's a dual approach. It's financial care and a financial settlement. I think there are two different issues here. I really like the department's needs-based approach. You're going to work with the veteran over a long period of time. I guess the issue really is what is reasonable as far as that settlement goes and then as far as the care goes. You mentioned the need to measure that care and that settlement so they don't deter the veteran from trying to seek other employment or from being able to rehabilitate both physically and mentally to adjust to their challenges.

Do you feel there has ever been a time when the department has taken the position that there was only so much money to go around, so a veteran would just have to accept a particular settlement, and that the settlements would have to be kept down? Or have you felt that as a department you've dealt with this fairly and that there has never been any pressure from the minister or the government to say there's a limit to the money? There is a limit to the money, we know, but have you ever felt that has been a challenge?

•(1215)

**Mr. Ken Miller:** I think that's an important point, because the statute is a statutory guarantee, and the funding for it is through quasi-statutory allotments the government provides. Of course, the department has budgets, but we are required by law to provide for the benefits the clients are eligible for as assessed under that statute. So there is no limitation applied to us. When a veteran is eligible, we have to use the appropriate approaches, of course, with government to secure the appropriate level of funding. But we are absolutely not limited when there is a statutory guarantee to provide those benefits. This is one of the real values of the program.

I should point out to you that there have been a lot of comments about the notion of cost-saving, and it is a theoretical notion at best, because the statute says that regardless of how many veterans there are or how seriously they may be injured in the future, they have that statutory guarantee that the support will be there into the future.

**Mr. Colin Mayes:** I really do appreciate the answer, because you're absolutely correct that there have been some questions and suggestions about the department trying to save money and cutting back on veterans' benefits and the ability to meet those needs of veterans. Quite frankly, I'm a little offended by those types of

questions, because I really do believe you are concerned for veterans, and you're representing the Government of Canada, the people of this nation, who are really thankful that we do have those men and women who serve our country and protect our freedom.

So I just wanted to make clear that it's not a situation in which the department has a mandate to administer a department under a budget and make sure that they meet that budget. I think that's an important message that the veterans and the public need to hear.

Thank you.

**The Chair:** Thank you, Mr. Mayes.

We'll now move on to Mr. Kania, for five minutes.

**Mr. Andrew Kania (Brampton West, Lib.):** Thank you, Mr. Chair.

Mr. Miller, do you have this book?

**Mr. Ken Miller:** I'm familiar with it.

**Mr. Andrew Kania:** Do you have a copy?

**Mr. Ken Miller:** I do not have one with me.

**Mr. Andrew Kania:** If I give you one, will you look at page four, please?

There's an example, a case scenario, the second one. This deals with a person by the name of Antonio. Have you read this before?

**Mr. Ken Miller:** I did some time ago. I'm not immediately familiar with it, but yes.

**Mr. Andrew Kania:** We can go through it. It talks about an Antonio, who joined the forces right out of high school. He suffered a service-related spinal cord injury, which paralyzed him from the waist down. It talks about what happens to him.

I'll give you an opportunity to look through this before I ask you my questions. I will point out, though, that obviously, in this particular book, it's showing this as a positive example of how this is apparently working. Otherwise, they wouldn't put in this example, I would assume.

Have you gone through it?

**Mr. Ken Miller:** No, just give me a moment, please.

**Mr. Andrew Kania:** Sure.

**Mr. Ken Miller:** Yes, okay.

**Mr. Andrew Kania:** This individual has a spinal cord injury. He's paralyzed from the waist down. He gets \$200,000, and it says that the maximum is \$250,000, depending on the extent of the disability. Frankly, I'm shocked that somebody who has a spinal cord injury, who is paralyzed from the waist down and can't walk, gets below the maximum. And this is being used as an example of how this is working.

I don't understand, as well, and other people have mentioned this, the comparison to personal injury damage awards. I was a trial lawyer for many years before becoming an MP, and I don't understand how \$200,000 in any way compensates somebody who has a spinal cord injury and can't walk.

It then says, as if this is a wonderful thing that can occur, that he can get financial independence by purchasing an annuity. But let's look at this realistically. He's going to purchase an annuity for \$200,000, which will give him, based on a mental calculation, only \$10,000 to \$15,000 per year of income. I would like to know how it can be justified that a person in a wheelchair, who can't walk, because of serving our country, gets less than the maximum and then will be entitled to an annuity of approximately \$10,000 to \$15,000 a year, which would be taxable, I assume. Sorry, if it is an annuity, it shouldn't be taxable if he's structured it properly. But how is that right?

• (1220)

**Mr. Ken Miller:** The lump sum is not taxable, by the way, just to clarify that point.

The amount that's paid is based on the extent of the disability. That is a requirement in law. It's based on a quasi-statutory document called a "table of disabilities". Maybe the person who wrote this scenario was trying to estimate on the conservative side or the low side what the amount of the award would be. But I'd actually be surprised that for a spinal cord injury, something of that severity, it would not be at 100%. But recognize that there is a range of assessment of disability. At this amount, it would be about 80%.

**Mr. Andrew Kania:** I'm going to ask you to look into this and report back to the committee. You would be surprised, and so would I, and so would everybody else here, I'm sure, that a person who's paralyzed wouldn't get the maximum. I'd like you to address that to see whether that's what would happen and report back.

As well, it says that for the death benefit, a person gets \$250,000 if "killed while in service; or injured while in service and dies within 30 days of the injury". Why is it within 30 days? What happens if they're hooked up to a life support machine in a hospital because of their injuries? Is the family expected to pull the plug within 30 days to make sure they get the income? Why is it like that? I think that should be changed. I'd like your views on that.

**Mr. Ken Miller:** Sure. Thank you for the question.

What happens after 30 days is that the benefit paid to the survivor is not the death benefit. It is either the full amount or the residual amount of the disability award that would have been paid to the veteran. The reason it was structured that way is because beyond a point of 30 days, the veteran could well have applied for the disability award and may have received a portion. What will happen is that either the full amount or a residual amount of the disability award will be paid to the survivor.

For example, if perhaps there was an injury, and 20% or 30% was paid to the veteran, and then some time later the veteran died from that actual condition, the residual amount would be paid to the survivors.

**Mr. Andrew Kania:** If they die on the thirty-first day, is it right that the family no longer gets this \$250,000 amount? Don't you think

this should be considered or reviewed, and that maybe there should be some sort of medical requirement to tie the death, after 30 days, specifically to the injury? That can be done in personal injury litigation. Why would you cut somebody off, cut the family off, which has lost its bread winner, because it's the thirty-first day? It's not logical to me.

**Mr. Ken Miller:** I wouldn't accept your characterization that they're cut off when in fact...

**Mr. Andrew Kania:** But they don't get the \$250,000.

**Mr. Ken Miller:** The same amount of the benefit pays, except it's part of the disability award not part of the survivor benefit.

**Mr. Andrew Kania:** So you are going to say that if somebody dies on the thirty-second day, they will, in essence, get this \$250,000 on a practical basis in some other manner, guaranteed?

**Mr. Ken Miller:** Yes.

**The Chair:** Thank you, Mr. Kania, I'm sorry, I allowed you to wrap up and go over the five minutes. And I apologize for the pronunciation of your name when I introduced you.

Madam Sgro.

**Hon. Judy Sgro:** Mr. Kerr indicated at the beginning of the meeting about our commitment to look at the whole issue of the disability, etc.. Are we going to be looking at that after we complete the review of the charter? Just given the fact of the information coming out and the interest to all of us, which one should be done first?

**The Chair:** Well, I would have to ask Mr. Kerr for some information on that. I believe his request was outside of the charter and was a disability benefit that was ordered by DND.

**Mr. Greg Kerr:** Thank you, Ms. Sgro.

I guess what I was saying is the charter view won't cover the issues that we heard from some of the witnesses that the disability pension is being treated as income, and why tax it—the tax-back issue. I thought it was incumbent on us to take that issue, to roll it together and present it in a way that we can get a proper review done. I don't think we can get it done under the context of the review of the charter itself.

• (1225)

**The Chair:** No, it's not under the charter legislation. So we'd be driving our analyst crazy again, on another point.

**Mr. Greg Kerr:** We don't want to do that.

**Hon. Judy Sgro:** He hasn't lost all his hair yet, so I thought he was doing quite well.

**The Chair:** I'm looking after that for him.

Mr. McColeman, for five minutes.

**Mr. Phil McColeman (Brant, CPC):** Thank you, Mr. Chair.

Thank you for coming here today.

I want to try to go down a couple of avenues. It's my understanding that my colleague across the floor, who I'm good friends with, through another committee—and I have travelled across the country with him looking into penitentiaries—brought up this brochure example. It's interesting that he would bring that up, because we've done an in-depth analysis, and he targets that one thing, and I'm not so sure that you've done the in-depth analysis. But are there not, on top of the individual who's paralyzed, a lot of other programs? If they are not employed, they get 75% of their wages, and if they are unemployable, that continues on, on top of the lump-sum payment. I think it was characterized that there was this lump-sum payment they had to live off for the rest of their lives, and I don't think that was very clear.

Secondly, there's all the other suite of services that help that individual become rehabilitated, get back into the workforce, which is the ultimate goal of the program. It is done not on a category basis, for everybody who is paralyzed; rather, it's done on that individual's situation. They might have one child, they may have six children—who knows? It's based on an individual analysis, and that's where I appreciate what you said in your opening statements, because it was clear that the cornerstone of the program is to offer a comprehensive set of programs that allow that individual to integrate back into as much normality of life as they can. It's based on that.

I've listened very closely to all the testimony that's come here. You've taken it on the nose big time from a lot of people at this committee—you probably know that, because you read a lot of the testimony—who advocate, quite frankly, to close down Charlotte-town completely, it doesn't work.

I want to ask something relative to that. I think there are some issues. I'm not saying they don't exist. There are probably a lot of issues that have to be worked on. Nothing is perfect. But to characterize that our veterans are not being treated with respect and dignity... We went to Charlottetown and we viewed the operations and met the people there and met veterans who work in that operation. There is respect and dignity, I believe, from what I saw. Of course, they are showing MPs the best side possible that day, I'm sure. We've also had testimony to say that your front-line people are fantastic and treat us with great respect and dignity. There are some structural things we perhaps need to look at in revising this charter.

The spectrum of information that we've been getting—and I am leading to a question here, Mr. Chair—is broad and wide and diverse. It's healthy to have that discussion, but the insinuation that you are less than professional on that scale of respect and dignity... I don't think you should walk away from this committee today, from my point of view, with that observation.

I would like to lead back into that argument that we've heard, that for some reason there's such dysfunction because the operations are in Charlottetown and not in Ottawa. What are your views on that issue?

**Mr. Ken Miller:** The relocation to Charlottetown dates back to about 1984, when the full department actually made the move. It's a model that has worked very well over the years, in fact. Those of us who work there are required to travel to Ottawa more often, but it is a model that works. Today it is increasingly easy to do with video conferencing and the like.

Where we are located in relation to supporting our regional operations and in relation to supporting our district offices, and more importantly in relation to the work that we do to support our veterans in this country, I think is really not relevant. It happens very effectively in Charlottetown. My personal view is that we have a tremendously dedicated and talented team there to carry out work on behalf of veterans. I can tell you from my daily work experience, that's what happens every day in that office. I don't feel at all disadvantaged or less able to serve the needs of veterans because of the geographic location of our head office.

• (1230)

**The Chair:** Thank you, Mr. Miller and Mr. McColeman. That was a record preamble; there wasn't much I could do about it.

Mr. Stoffer, go ahead for five minutes.

**Mr. Peter Stoffer:** Thank you, Mr. Chairman.

I would agree with my colleague. I haven't met one DVA person yet in all the years I've been a member of Parliament who doesn't treat the veterans with respect and dignity.

The problem is the system: “You're 85 years old, now go apply for a benefit”, and they have to fill out the forms and appeal, and get a legal counsel and appeal, and go to VRAB and appeal. It's mind-boggling for people who have never done it. At my age, I could fight the system and maybe be successful or not if I had a personal issue. But for those who are disabled, those suffering from post-traumatic stress disorder, and those who are elderly, it is quite a challenge to even attempt it. We know that many of them try for the first time, maybe are denied, and just say, “well, that's it”, and give up. That is most unfortunate. It's not you; it's the levels they have to get through. You had indicated earlier, sir, that within the mandate you have, to streamline that process and get rid of, as you said, the nonsense, would be greatly appreciated. I'm sure many veterans would appreciate that.

I have a couple of questions for you on the earnings loss benefit. If you're a lieutenant in the navy and you're medically released for something serious, you get 75% of your income at the salary you're earning at that time. But if you're a lieutenant in the navy, and say you served 11 years, there's a high probability that you were going up the ladder. You could have been a commander, a lieutenant commander, or even an admiral. You could even have been the Chief of Defence Staff, maybe. The problem is that 75% stays at the level you earned when you left. There's no allowance for the possibility that you might have made more of an income as you progressed down the road. I know that's not been taken into consideration, but that's one of the recommendations that we have received from various people. I'm just wondering if you could comment on that, if indeed you have heard that, and what you would think about that.



The second thing of course is that we had the old Pension Act system, and we have the new Veterans Charter. Now you've had that for almost four years. I think that's enough time to make a financial analysis of the benefits and the amount paid out under the new Veterans Charter compared to those under the old Pension Act. Has your department had an opportunity to compare the two in that regard in the overall dollar sense?

I have one last question for you, and this is about something outside the charter. Mr. Ferguson—Brian Ferguson's a great guy—has just announced that they're doing a survey involving 1,200 of the over 217,000 DVA clients. They're asking the 1,200 clients, "What do you think of DVA's services? Have they been done appropriately? What do you think of the staff?", etc. It's a good thing to do. The problem is they're not asking people who are not clients of DVA, of whom there are twice as many as there are clients. They're not being asked their opinion of DVA. What do they think about being denied a pension plan? What do they think of taking months and months and months to get through the system? Mr. Ferguson had indicated to some people who asked him that they can't get hold of those people. My advice is, if you get a chance to speak to Mr. Ferguson, you can put it on the website. There are six major veterans organizations in the country representing 90% of the veterans. Ask them. It can be done through newspaper ads, through television, or whatever.

Every single veteran and/or their spouse should have the opportunity to comment on what they perceive are the services of DVA. Then I think you'll get a true reflection of where you may need some slight improvements or something. If you're talking only to people who get a benefit, obviously if I'm 85 years old, get VIP and get treated well, I love you guys. But if I'm 85 years old and was denied VIP and couldn't get the service, I'm not going to be very happy. If you want a careful analysis of how you're doing, I think you should ask both people to see what they think. If you're speaking to him, and he could do that, that would be great.

Thank you.

•(1235)

**Mr. Ken Miller:** I noted three questions. Thank you, Mr. Stoffer.

Maybe I'll start at the bottom and work up. I'll ask Anne-Marie to talk to you a little about outreach as well.

I accept the points you made. Obviously it's very important to have the views of not just veterans who are clients, but veterans who are not clients. There are various outreach strategies that Anne-Marie can speak to, but I'll leave that to her.

On the comparison between the disability pension and the disability award, one can make scenarios for ever and ever. There are many scenarios I could present to you that show very positive outcomes, and many of them are based on actual case examples where we've realized those outcomes. I could also present to you scenarios where, at least from the financial perspective, over the long term someone would appear to be better off under the old program, and we acknowledge that.

You had testimony before that in some measure the new Veterans Charter is a recalibration of how money is used. It follows the philosophy that those with greater need should get greater support. So are there areas where someone might get less money? If it's the

money you're focused on, absolutely, and I'd be happy to share those scenarios with you.

Next week our colleagues are coming with scenarios, and I encourage you to take the opportunity to ask them to walk you through them, because I think scenarios can be a very good way of getting some useful information.

You made the point on career progression. You're quite right that the earnings loss program does not factor that in, as I acknowledged earlier. In some measure the permanent impairment allowance does, although somewhat indirectly. It makes certain assumptions, it assumes there will be some impacts, and it provides a level of money based on sort of functional levels the individual may have.

I'd like to share with you—and certain of our advisory forums have shared this sort of information with us—that there are models out there one can look at and compare, where career progression is a factor. Now it's not within our authority, so there is an implication to that. But those models do exist. We know, for example, that the Canadian Forces can tell you what an average career progression would be. Everybody is not going to be the CDS, but typically if people start at a certain level and they're in it for a career, they will rise to a certain level. So there is information available that you can consider if you wish. But my point is that it is not within the authority we have today.

**Mr. Peter Stoffer:** Thank you.

**The Chair:** Thank you, Mr. Miller.

Thank you, Mr. Stoffer.

Mr. Storseth has five minutes.

**Mr. Brian Storseth (Westlock—St. Paul, CPC):** Thank you, Mr. Chair.

I'll try to ask more questions and give less comment than my colleagues.

I want to touch base on what Mr. Stoffer just said. It's the very important issue of career progression.

You said that career progression is not taken into account; it's functionality and need more than anything. You suggested there are some models. Are you familiar with the models, and can you tell us which ones they are?

**Mr. Ken Miller:** I can table them with you.

I forget the origins and the models, but we looked at systems a number of years ago where career progression was attempted. It's a difficult thing to do, to be honest with you. I forget what country it was related to.

**Mr. Brian Storseth:** Why is it a difficult thing to do? From my experience with the Canadian Forces, in talking to the men and women, it seems it shouldn't be that difficult. What are some of the reasons why it's so difficult to do?

**Mr. Ken Miller:** One has to make assumptions around what that progression would be. The only sort of valid comparable I am aware of is to look at averages, to look at what ranks individuals typically would attain to get some reference point. But on an individual basis one can't know or really estimate where someone would have landed if something else hadn't happened and they had continued on the career path they were on.

**Mr. Brian Storseth:** Yes, but generally stated, in your career path in the Canadian Forces after your tenth, twentieth, and thirtieth years there are general trends you should be able to identify. It is very important, because a lot of the men and women coming home today after being injured in Afghanistan or other missions are generally not colonels and generals. They're our privates and corporals, and they have expectations of career progression. That needs to be taken into account when it comes to the benefits they receive afterwards. Their families also have expectations about career progression and life in the forces.

I'm interested in your viewpoints on that. If you can table the models you are aware of that would be very helpful to the committee.

• (1240)

**Mr. Ken Miller:** Yes, we could do that. I should point out as well that it's largely a question that perhaps would be more appropriately asked of the Canadian Forces, who can really speak to that. But my understanding is there are trends that could be of value.

**Mr. Brian Storseth:** I know I'm going to be limited in time, but I have two questions. The first I'd like to ask deals with PTSD, and I guess it's more of a comment than a question.

Right now, it's very difficult for our men and women who have been diagnosed with PTSD after leaving the forces. These men and women take the steps to deal with it, are diagnosed with it, and are then shunted off to deal with insurance companies, whose bureaucracies are equally as cumbersome to deal with as our own in the federal government, but don't have the resources that DND had to deal with these things. And it doesn't seem there are a lot of resources that these men and women get from the Department of Veterans Affairs either, to deal with these kinds of situation, even in ensuring that they know what their rights are and what the proper steps to go through are.

Do you have any comments on that?

**Mr. Ken Miller:** Debbie may also want to comment on this from the supporting adjudication point of view.

Certainly the point you make about the difficulty in providing the evidence can become problematic the further away you are from the point of injury. The closer you are to it, the easier it is for us to assume certain pieces of evidence. For example, in the absence of other reasonable explanations for the origin of an injury in an individual whose service could likely have led to that injury, you can draw a certain inference that there's a connection between their service and the PTSD they now have. We can use that information in

the process. But as you get more and more years out from it, it becomes more difficult.

Did you want to comment, Debbie?

**Ms. Debbie Gallant (Director, Benefit Operations, Department of Veterans Affairs):** The only other point I would add is regarding the difficulty of knowing what the steps are and how you can negotiate the bureaucratic maze. Here, I think it's important to note that we have pension officers in our district offices across the country to help people with all aspects from point A to point Z, including filling out the application form, helping them amass the medical information, and helping them get their service medical records from either the Canadian Forces or the—

**Mr. Brian Storseth:** The problem I have encountered on numerous occasions is that these men and women go through all of that. They get diagnosed with PTSD by a Veterans Affairs or military doctor, who says that their PTSD is directly from their service in Bosnia, or wherever it was; but now they have to deal with an insurance company, whose bottom line is profit and who makes it very difficult for these men and women. They now have to go through separate doctors the insurance companies put them through to prove they have the condition. You can talk to five doctors on five issues and you can get assessed with five different levels of the condition. None of them say these people don't have PTSD, but have varying levels of it. So then the size of the awards you get varies.

It becomes very complex and very frustrating for these men and women, who are going through a difficult time in their life as it is. It's the bureaucracy of it. It really seems in some ways that we're failing them when we push them off and say they have to deal with the insurance company.

**The Chair:** Thank you, Mr. Storseth. That exhausts your time.

Go ahead and please respond to his question.

**Mr. Ken Miller:** I just have a point of clarification.

Insofar as they are accessing vocational rehabilitation and earnings loss support through the SISIP program, that is administered on behalf of the Canadian Forces through an insurance-based approach and is administered by an insurance company.

With respect to the benefits, however—I can't speak to that, because it's not our program—that are administered by Veterans Affairs, those are administered directly. It's not an insurance company that makes decisions. Those decisions are made within the department by departmental staff, based on the medical reports and information that we receive through service documents from clients and medical examinations that would have happened post-release, which are available for our use.

• (1245)

**The Chair:** Thank you very much.

[*Translation*]

Mr. Vincent, you have the floor for the third time today. You have five minutes.

**Mr. Robert Vincent:** Well, yes, this is my third turn today: it is the fifth on the other side, the fourth there, the second there, the second there as well. Let's not start keeping track. If we do so over a longer time, we will see who is right. We will talk about it next week, you can be sure of that, Mr. Chair.

I would like to ask you a question and I really want the answer. How many claims do you get and how many are accepted? You have those figures in your office, I feel sure. Could you provide them to the committee?

Then, I would like to know the amount of time between a claim being submitted and being approved. In general terms, how long does it take to process a file? A little while ago, I gave you an example where several months have gone by and the process is not finished because it is still being appealed. I would like to know how much time a file takes to process.

I am not talking about a simple claim. If we know that a person has lost both arms and both legs, we do not need to spend a lot of time agonizing over whether he is entitled to 100% of his salary. I am talking about a normal claim. If someone has lost an arm here and three fingers there, what percentage can he be given? What kind of job can he be rehabilitated for when he only has two legs left? Going a little further, how are the rehabilitation and benefits determined when someone suffers a head trauma after which the body works but short-term memory is partially affected?

I would like this information in writing. You could send it to the committee so that I can get my thoughts together and come up with specific questions for the person who is coming next week to testify about specific cases.

During the testimony, we heard that people making claims were often the victims of intimidation when they wanted to defend themselves. For example, they were advised not to do such and such a thing, not to take their case to court, or even not to make a claim because that could adversely affect their career path later on and prevent them from rising through the ranks in the Canadian Forces. We heard testimony that suggested that there might be intimidation at your level and people were afraid to make claims. I would like to know how much intimidation there is. Are you aware of that? I would like answers in writing. But if you have answers now, feel free to provide them.

[English]

**Ms. Anne-Marie Pellerin:** One of the first questions you asked was the number of applications we receive on an annual basis. In the last fiscal year, we received in the range of 20,000 applications, or just under 20,000. Those were the combined applications for both the disability award and disability pension. The approval rate for those—

[Translation]

**Mr. Robert Vincent:** I was actually talking about new claims; I am not talking about claims at the benefits stage. Let's say that, several years after leaving the Canadian army, I make a claim for my post-traumatic stress. That is a new claim. I am not talking about claims that are already approved, or about changes to those claims. I am talking about a member of the Canadian Forces who files a new disability claim with your department.

Are we talking about the same thing? Is that the question you were answering? I just wanted to make sure.

[English]

**Ms. Anne-Marie Pellerin:** The number I gave you was for first applications for disability awards, disability pensions. So it was just slightly under 20,000 in the last fiscal year. The favourability rate on those first applications—

[Translation]

**Mr. Robert Vincent:** You said 20,000 claims, not dollars?

[English]

**Ms. Anne-Marie Pellerin:** The number of dollars?

• (1250)

[Translation]

**Mr. Robert Vincent:** Because you first said 20,000 claims and then you said \$20,000. We are talking about 20,000 claims for benefits, not dollars.

[English]

**Ms. Anne-Marie Pellerin:** Yes, it's the number of claims.

The favourability rate is in the 75% range.

[Translation]

**Mr. Ken Miller:** At the moment, it is about 75%.

[English]

**Ms. Anne-Marie Pellerin:** It's 73%.

[Translation]

**Mr. Robert Vincent:** You are going to send me information about the time it takes to process files, aren't you? That is what I am trying to understand. Of 20,000 claims, you accept 75%. But there is a delay between a claim being submitted and being approved. Sometimes, there is disagreement on the percentage of a person's disability. The fact that a file is being processed does not mean that it is automatically approved. It is all very well to open the file, but it takes time for it to be approved. I would just like to know how much time is needed to approve a file. If a claim is submitted in 2007 and only approved in 2009, that is a long time.

[English]

**The Chair:** Thank you, Mr. Vincent.

His time has expired, but go ahead, please respond to the question.

**Ms. Debbie Gallant:** Just to clarify, you were asking initially about the favourable rate for first applications. In 2009-2010 the favourable rate was 73%.

**The Chair:** Thank you.

Mr. Kania, five minutes.

**Mr. Andrew Kania:** Through you, Mr. Chair.

I would like to thank my friend Mr. McColeman for his kind words. I have often given him the ultimate compliment that I can to a Conservative MP, which is to say he's really a Liberal. But I will tell you that over here, Mr. McColeman, we don't normally filibuster through our questions.

Going back to what Mr. McColeman mentioned, the disability award... Just so we're clear, I fully understand that there are other mechanisms to support a veteran who needs it. My concern was that we should be erring on the side of generosity to a veteran who has sustained a severe injury. When I read this example for the disability award of somebody with such a severe injury getting under the maximum, I was concerned. So you are going to look into that and report back whether that would be an actual example that would take place. I would hope that you would report back that somebody who had a spinal cord injury and was paralyzed would get the maximum.

In terms of the death benefit, you did mention that if somebody died on the 32nd day, there would be the same level of support because they would receive that money elsewhere within the overall system. But I'd like to get specific details from you with respect to that analysis. When you look at the death benefit of \$250,000, it's tax-free, so they can take that and invest it. They don't have to buy an annuity, but they could buy an annuity. And if they did buy an annuity, they would then receive tax-free payments of roughly \$15,000 a year from an insurance company, because all payments from insurance companies are tax-free.

Could you please provide exact details—whether you can do it now or write it up and table it another time—of how, if a veteran died on the 32nd day, their family would receive the equivalent of approximately \$25,000 or \$30,000 per year for life from this system, or otherwise how they would take that money and invest it for longevity? I'm not on this committee, so I can't give you the exact details. I am concerned by your answer, which was that somehow this would be replaced automatically through other mechanisms. I'd like to know if that's accurate. Just let us know how they would receive approximately \$25,000 or \$30,000 per year for life or how they would receive approximately \$15,000 per year tax-free for life if they are a couple of days late under this system. Because if not, I think the system needs to be changed.

**Mr. Ken Miller:** Thank you for the question.

Just to clarify, whether it is the death benefit or the residual amount of the disability award, both payments are under the same program, the disability award program. The amount is the same for both, just to be clear. If it pays as a death benefit, it's \$276,000. If it pays as a disability award to a survivor, it is \$276,000. The amount is the same. It is not taxable under either scheme. The death benefit is intended for immediate death as a result of service. As you know, that was defined in the authority as a 30-day period.

The difference between the two is that the death benefit pays irrespective of any amounts that may have been paid to the veteran. Beyond the 30-day period, the same amount pays, and the family has the same opportunity to invest it. If they wish to invest it where they can receive an annuity, the same situation applies. The difference is that if the veteran had survived long enough to actually receive part of the disability award before death, the full amount doesn't pay. The residual amount pays. That's the difference between the two benefits.

In terms of the total amount that can go to the family at the time of death, it starts at the same amount, \$276,000.

●(1255)

**Mr. Andrew Kania:** Given the factors I indicated, such as how much would be required for an annuity and the \$15,000 in tax-free cash and all that, you're guaranteeing that if somebody dies any time after the 30-day period, they're still going to hold, whether they receive this death benefit or not, the exact same amount of money or compensation because of the overall system. Is that what you're guaranteeing?

**Mr. Ken Miller:** What I'm saying to you is that the total amount is the same. So if the veteran, before the 30 days, received an amount through a disability award, that amount, plus whatever amount it pays to the survivor, is the same as what the death benefit would be.

**Mr. Andrew Kania:** Okay.

On page 15 of this charter, they talk about the permanent impairment allowance and how very few receive it. It's difficult to get, and so on. Essentially, except for severe psychosis, it's all physical. My concern is that a lot of persons, in particular those coming back from Afghanistan, may not have a severe physical impairment but may have something that is either emotional or psychological that is so difficult for them that they can't work.

There are a number of veterans, for example, who essentially live in a Calgary shelter, because they either can't work or won't work. I think a lot of that is probably due to how they've come back mentally. My concern is that I see only one phraseology here for anything other than physical. I would like to know, especially when it's difficult, that veterans who have some emotional or psychological problems are going to be getting this. If it's too restrictive, I'd like it to be loosened so that they get the help.

I know that we don't have any time now, but maybe you can consider that and even table something for the committee, please.

**Ms. Anne-Marie Pellerin:** What was listed in the deck, for example, was that there are some other severe mental health impairments that are covered under the permanent impairment allowance legislation.

**The Chair:** Thank you very much.

Further to a question from one of the members, could you communicate to your colleagues that if they're going to be bringing several scenarios next week, could they e-mail them over in both official languages? Send them directly to the members of the committee so that they have some time to see them beforehand. Because of the complexity, they can question better if they have them beforehand.

Is that what you wanted, Mr. Vincent?

I'd like to thank you very much for your good work for veterans.

I'll confirm with the members that next week we have on May 11, provided the witnesses are available, Madame Méthot and Monsieur Leduc.

The meeting is adjourned.







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