

PAIN AND SUFFERING COMPENSATION

The purpose of the Pain and Suffering Compensation (PSC) is to recognize and compensate a serving member or Veteran for the pain and suffering experienced as a direct result of his or her service-related disability. This includes impacts on the Veteran's overall quality of life and family (surviving spouse, common-law partner and/or dependent children). A Veteran can choose to receive the PSC as monthly payments for the remainder of his or her life, or to cash the monthly amount out for a lump sum payment.

The PSC is expected to come into effect April 1, 2019.

Any future disability benefit applications after March 31, 2019, will be for the Pain and Suffering Compensation because it is replacing the current Disability Award.

ELIGIBILITY

Any member and Veteran with a disability resulting from a service-related illness and/or injury will be eligible to apply for the PSC. However, not all members and Veterans will receive the same level of payment.

Note: In order to benefit from the introduction of this new benefit, members and Veterans who have received the Disability Award since 2006 may receive an additional monthly amount. The calculation of this additional monthly amount is determined by taking into consideration the actual amount of Disability Award previously paid to the member or Veteran, the amount that could have been received as a monthly payment and mortality rates.

PAYMENT CALCULATION

The amount of money that the member or Veteran receives as part of the PSC is directly related to the extent of the service-related disability. As part of the application process, a Veterans Affairs Canada adjudicator reviews the member's or Veteran's service and medical history. Following an assessment of both the extent of disability, and whether or not service is the cause, a specific level of disability is assigned to the member or Veteran. It is this level of disability that determines the monthly PSC payment.

NON-TAXABLE BENEFIT

This specific benefit is not taxable because it compensates for pain and suffering.

PAYMENT AND DELIVERY

Members and Veterans may choose from two different payment methods:

- A monthly payment for the remainder of their lives**
- A lump sum cash out.**

If the member or Veteran changes his or her mind in the future and wishes to stop receiving a monthly payment, he or she may instead receive the balance of the PSC in a lump sum payment.



PAIN AND SUFFERING COMPENSATION

Monthly:

The maximum monthly payment is \$1,150 for life. The size of the amount depends on the extent of a Veteran's service-related disability. The greater the extent of service-related disability, the larger the payment would be, to a maximum of \$1,150 per month. The \$1,150 will be indexed annually in accordance with the Consumer Price Index.

Lump sum:

The highest possible lump sum payment of the PSC would be the same as the maximum Disability Award payment on the day before coming into force.

IN THE EVENT OF DEATH

If a Veteran is receiving the PSC monthly benefit at the time of their death, and any residual amount is left over, it will be cashed out to survivors and dependent children.

Survivors and dependent children may also apply for a PSC that the Veteran could have applied for prior to their death, and they may receive a lump sum amount if approved.

OTHER FINANCIAL SUPPORT

There are other non-taxable benefits available such as the existing Clothing Allowance and Critical Injury Benefit as well as the new Additional Pain and Suffering Compensation. Veterans who have been injured and/ or ill can also receive the Income Replacement Benefit, a taxable benefit which is meant to compensate for loss of earnings. A wide range of benefits, programs and services in support of overall well-being—social, mental, physical and professional—are also available to Veterans through Veterans Affairs Canada.

FINANCIAL ADVICE:

Currently, VAC will cover the costs related to receiving financial advice, up to a maximum of \$500. This will continue under the PSC.



ADDITIONAL PAIN AND SUFFERING COMPENSATION (non-taxable)

The Additional Pain and Suffering Compensation (APSC) will provide additional recognition and compensation to Veterans who are experiencing barriers to establishment in life after service due to a service-related permanent and severe impairment. It compensates for recognition, not for loss of earnings.

The APSC is expected to come into effect April 1, 2019.

ELIGIBILITY

A Veteran may receive the APSC if he or she has a service-related disability for which they have already received a Disability Pension, a Disability Award, or a Pain and Suffering Compensation (PSC). In addition, that disability must be causing a permanent and severe impairment which is creating a barrier to re-establishing in life after service.

There is no time limit for making an application for the APSC.

PAYMENT CALCULATION

If a Veteran is assessed as being Grade 1, their benefit amount will be \$1,500 per month. If Grade 2, their benefit will be \$1,000 per month. If Grade 3 their benefit will be \$500 per month. These levels of payment are determined by the extent of the Veteran's impairment and barriers to re-establishment.

The amounts will be indexed annually in accordance with the Consumer Price Index.

NON-TAXABLE BENEFIT

As with the PSC, the APSC is not taxable

PAYMENT DELIVERY

Payments will be made on a monthly basis and continue to be paid for the duration of the Veteran's life. This would only change if the Veteran were to notify us regarding an improvement in health and became no longer eligible to receive the benefit.

IN THE EVENT OF DEATH

This benefit is exclusively for Veterans who themselves have experienced severe and permanent impairments that have created barriers to establishment of life after service.

OTHER FINANCIAL SUPPORT

There are other non-taxable benefits available, such as the existing Clothing Allowance and Critical Injury Benefit, and the new PSC. Veterans who have service-related injury and/or illness can also receive the Income Replacement Benefit, a taxable benefit which is meant to compensate for loss of earnings. A wide range of benefits, programs and services in support of overall well-being—social, mental, physical and professional—are also available to Veterans through VAC.

*Recipients of an EIA are not eligible for the APSC.

EXCEPTIONAL INCAPACITY ALLOWANCE

