

## VETERANS SURVIVORS FUND

- This Government is committed to ensure that service men and women, and their spouses are cared for. As announced in Budget 2019, Veterans who marry after the age of 60 and their survivors will have the support they need.
- The Government allocated \$150 million over 5 years in Budget 2019 for a Veterans Survivors Fund.
- Veterans Affairs Canada is working with Statistics Canada to examine the income and characteristics of these survivors.
- Veterans Affairs Canada has also contracted the Canadian Institute for Military and Veteran Health Research to consult with survivors to better understand the financial support they need.

## **BACKGROUND – Veterans Survivors Fund**

All Canadian Armed Forces members become contributors to the Canadian Forces Superannuation Plan when they begin military service. After their release, they receive pension benefits based on their duration of service, age, earnings/salary, and circumstance at release (e.g., voluntary release or release for medical or other reasons). The plan also provides for survivor benefits. In the event of the death of a Canadian Armed Forces member or Veteran, a qualified surviving spouse (married or common-law) may be entitled to an annual allowance (paid monthly). This amount, known as the Basic Allowance, is equivalent to one-half of the pension entitlement the member or Veteran had earned.

As authorized under legislation, in order to be a qualified surviving spouse, the spouse/common law partner must have entered into the relationship with the member/Veteran before the member/Veteran reached the age of 60. Being a qualified surviving spouse also entitles the survivor to eligibility for the Public Service Health Care Plan and Pensioners Dental Care Plan.

If the spouse/common law partner did not enter into the relationship with the member/Veteran before the member/Veteran reached the age of 60, they are not automatically entitled to survivor pension benefits. However, a Veteran can obtain future pension benefits for an ineligible survivor through the Optional Survivor Benefit. Under this arrangement, the Veteran opts to reduce their pension payments (by 30% – 50%) in exchange for a future survivor pension. Less than 1% of pensioners choose this option. This can create gaps for their survivors, who may not have alternative pension or health care coverage.

The Government, as one of its mandate letter commitments, has indicated that it would address this issue. Specifically it committed to “Eliminate the ‘marriage after 60’ claw-back clause, so that surviving spouses of Veterans receive appropriate pension and health benefits.” (The “marriage after 60 provisions” referred to in the mandate letter refer to a certain provision in

the Canadian Forces Superannuation Act that falls under the authority of the Minister of National Defence.)

In Budget 2019, the Government announced \$150 million over 5 years to establish a Veterans Survivors Fund to “better support Veterans who married over the age of 60 and their spouses”. Details with respect to the design and delivery of this fund will be determined in consultation with the Veteran community.

The Veterans Survivors Fund will be in addition to financial benefits that survivors may be eligible for from Veterans Affairs Canada. For example, under Pension for Life, survivors of Canadian Armed Forces members who die in service and survivors of Veterans who are in receipt of Income Replacement Benefits at the time of their death receive the survivor portion of this benefit regardless of their age. Additionally, survivors may also be eligible for other benefits such as career transition services, as well as services under the Veterans Independence Program (grounds maintenance and housekeeping services).