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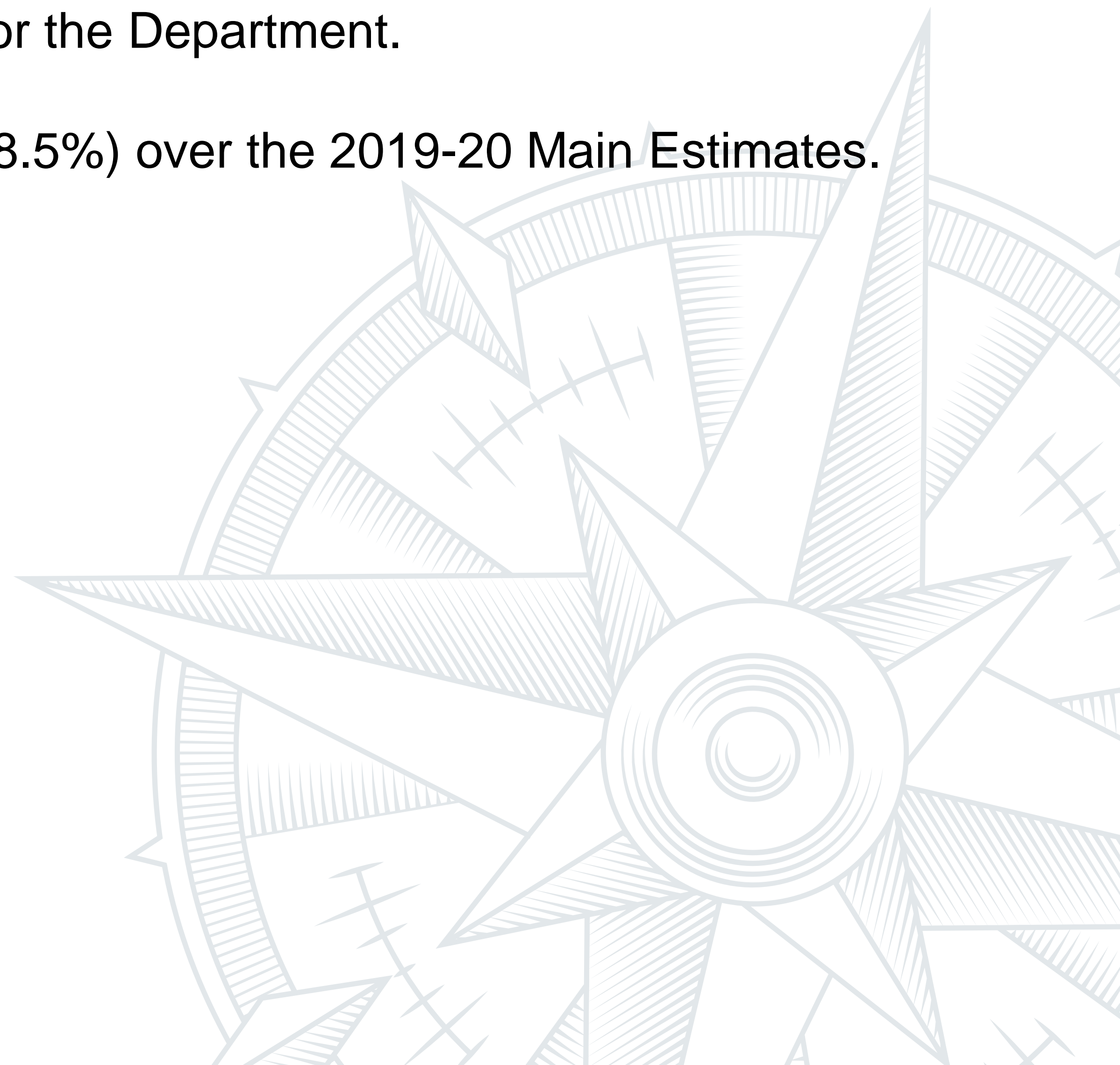
# Veterans Affairs Canada

## 2020-21

## Main Estimates

January 2020

- VAC's 2020-21 Main Estimates total \$5.24 billion for the Department.
- This represents a net increase of \$817.7 million (18.5%) over the 2019-20 Main Estimates.
- \*redacted\*



# Veterans Affairs Canada Organizational Estimates

	2018-19	2019-20		2020-21	Variance from 2019-20 Main Estimates
	Expenditures	Main Estimates	Estimates to Date (Main Estimates including Supps A and B)	Main Estimates	
<b>Budgetary</b>		(dollars)			
<b>Voted</b>					
1 Operating expenditures	1,001,640,228	1,125,198,099	1,236,495,827	1,158,864,928	33,666,829
5 Grants and contributions	3,655,818,666	3,180,739,500	3,925,236,601	4,044,621,627	863,882,127
Budget Implementation Votes	N/A	75,943,056	75,943,056	N/A	(75,943,056)
<b>Total Voted</b>	<b>4,657,458,894</b>	<b>4,381,880,655</b>	<b>5,237,675,484</b>	<b>5,203,486,555</b>	<b>821,605,900</b>
Total Statutory	33,004,059	38,113,710	38,266,790	34,215,699	(3,898,011)
<b>Total Budgetary</b>	<b>4,690,462,953</b>	<b>4,419,994,365</b>	<b>5,275,942,274</b>	<b>5,237,702,254</b>	<b>817,707,889</b>

Source: Page Proof to be published in Main Estimates, with the exception of variance column



When compared to 2019-20 Main Estimates, key changes are as follows:

- \$33.7 million increase in **Vote 1 – Operating Expenditures**, related to:
  - Regular Operating: (*\$30.9M Decrease*) – temporary funding concluded for Service Excellence and implementation of PFL in 2019-20; budget returns to standard level in 2020-21.
  - Other Health Purchased Services: *\$67.8 Increase* – Increased demand for health services.
  - Veterans Support Services: *\$3.6M Increase* – Increased demand for rehabilitation and support services.
  - Advertising Initiatives (*\$2.1M Decrease*) – Funding concludes after fiscal year 2019-20.
  - Budget 2017 Outreach Strategy (*\$3.5M Decrease*) – Funding announced in Budget 2017.
  - Ste. Anne's Hospital (*\$1.2M Decrease*) – Decrease in funding requirements.

Note - more detail for Vote 1 - Operating Expenditures provided in Annex A

## ▼ Summary of Key Changes from 2019-20 Main Estimates: VOTE 5

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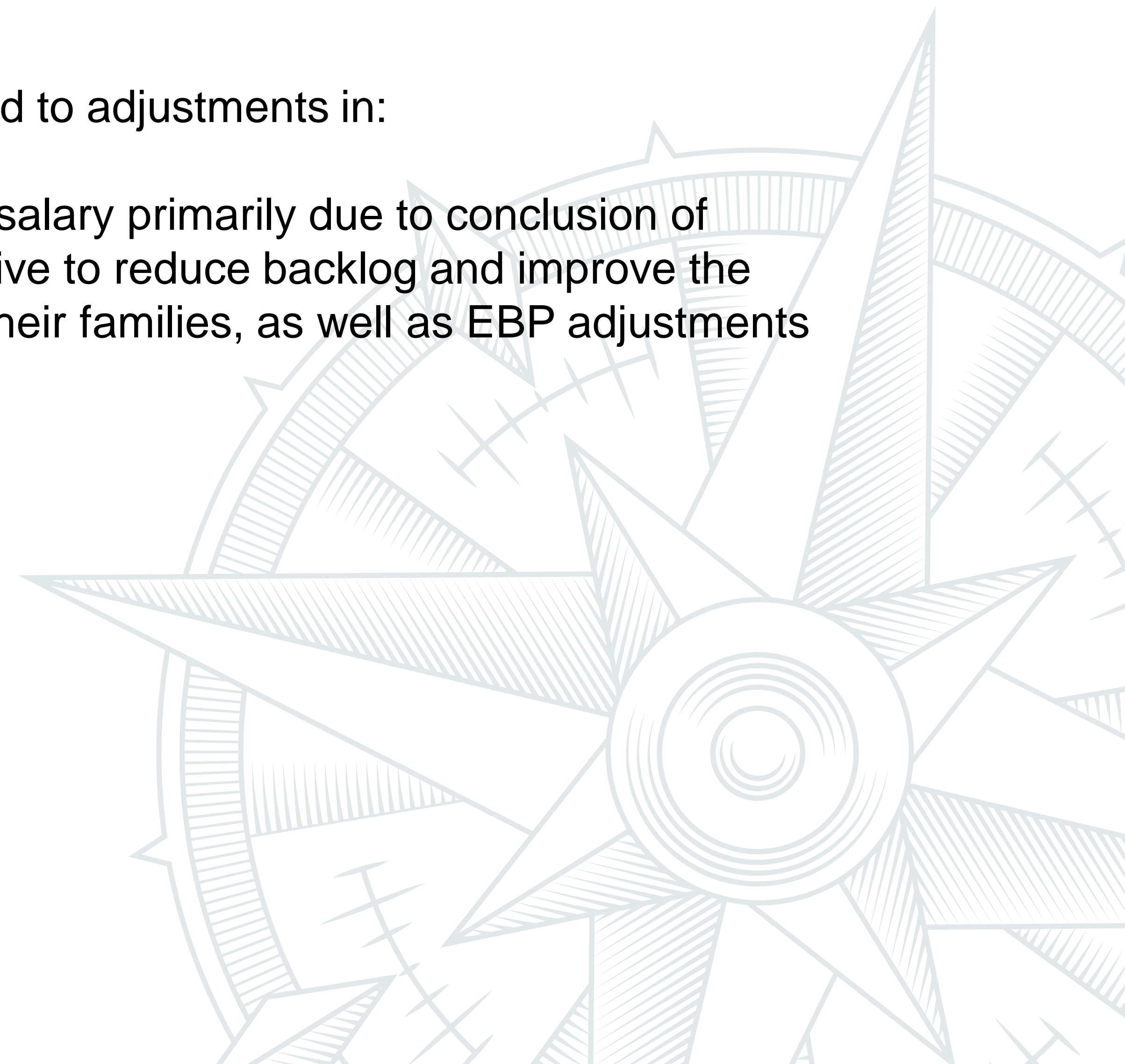
- \$864 million increase in **Vote 5 – Grants and Contributions** primarily related to adjustments in the following programs:
- Disability Pensions (\$86M Increase) – Temporary funding received for escalation calculation error, offset with decreases due to decline in the number of War Service Veterans and Survivors
- Due to the transition of Pension For Life suite of programs, the following programs are being adjusted:
  - Decreases due to sunseting Veterans Well-being Programs:**
    - Disability Awards - \$104M Decrease. *Phasing out the Disability Award program as a result of the new Pain and Suffering Compensation*
    - Supplementary Retirement Benefit Payout - \$53M Decrease. *Phasing out the Supplementary Requirement Benefit program as a result of the new Income Replacement Benefit*
  - Increases due to PFL Implementation:**
    - Pain and Suffering Compensation – \$616M Increase due to increased demand
    - Income Replacement Benefit – \$240M Increase due to increased demand
    - Additional Pain and Suffering Compensation – \$54M Increase due to increased demand. *Replaces Career Impact Allowance (CIA)*



## ▼ Summary of Key Changes from 2019-20 Main Estimates: STATUTORY

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- \$4 million decrease in **Statutory** items primarily related to adjustments in:
- Employee Benefit Plan Contributions – Decreasing salary primarily due to conclusion of temporary funding related to the Budget 2018 initiative to reduce backlog and improve the delivery of services and programs to veterans and their families, as well as EBP adjustments each year



## ▼ Veterans Affairs Canada 2020-21 Main Estimates by Purpose

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Core Responsibilities	Operating	Capital	Transfer Payments	Revenue and other Reductions	Total
<b>Budgetary</b>	(dollars)				
Benefits, Services and Support	\$1,085,315,619		\$4,021,444,627		<b>\$5,106,760,246</b>
Commemoration	\$19,592,357		\$23,374,000		<b>\$42,966,357</b>
Veterans Ombudsman	\$5,483,671				<b>\$5,483,671</b>
Internal Services	\$82,491,980				<b>\$82,491,980</b>
<b>Total</b>	<b>\$1,192,883,627</b>		<b>\$4,044,818,627</b>		<b>\$5,237,702,254</b>

Source: Page Proof to be published in Main Estimates, as per Core Responsibility breakdown in Departmental Plan

## ▼ Vote 5 – Grants and Contributions

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Vote 5	2019-20 Main Estimates	2020-21 Main Estimates	Inc. (↑) Dec. (↓)	Difference
Programs – Increasing Reference Levels (slide 9)	\$2,940,024,000	\$3,963,734,127	↑	\$1,023,710,127
Programs – Decreasing Reference Levels (slide 10)	\$232,815,000	\$72,987,000	↓	(\$159,828,000)
Programs – No Change to Reference Levels (slide 11)	\$7,900,500	\$7,900,500	-	
<b>Total</b>	<b>\$3,180,739,500</b>	<b>\$4,044,621,627</b>	<b>↓</b>	<b>\$863,882,127</b>





## Vote 5 – Grants and Contributions (Programs with Increasing Reference Levels)

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Vote 5	2019-20 Main Estimates	2020-21 Main Estimates	Difference
Housekeeping and Grounds Maintenance	\$281,815,000	\$282,467,000	\$652,000
Caregiver Recognition Benefit	\$7,070,000	\$13,485,000	\$6,415,000
Canadian Forces Income Support	\$2,187,000	\$2,376,000	\$189,000
Centre of Excellence for PTSD and related mental health conditions	\$1,500,000	\$6,300,000	\$4,800,000
Income Replacement Benefit	\$627,950,000	\$868,225,000	\$240,275,000
Pain and Suffering Compensation	\$685,114,000	\$1,301,434,000	\$616,320,000
Additional Pain and Suffering Compensation	\$102,367,000	\$156,574,000	\$54,207,000
Pensions for Disability and Death	\$1,155,817,000	\$1,241,735,000	\$85,918,000
Earnings Loss and Supplementary Retirement Benefit	\$1,564,000	\$2,000,000	\$436,000
Veterans Independence Program	\$72,366,000	\$78,294,000	\$5,928,000
Critical Injury Benefit	\$900,000	\$1,200,000	\$300,000
Retirement Income Security Benefit	\$14,000	\$15,000	\$1,000
Commemorative Partnerships Contribution	\$1,360,000	\$2,830,000	\$1,470,000
Research Funding Program Contribution *	\$0	\$4,799,127	\$4,799,127
Research Funding Program Grant *	\$0	\$2,000,000	\$2,000,000
<b>Total</b>	<b>\$2,940,024,000</b>	<b>\$3,963,734,127</b>	<b>\$1,023,710,127</b>

## ▼ Vote 5 – Grants and Contributions (Programs with Decreasing Reference Levels)

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Vote 5	2019-20 Main Estimates	2020-21 Main Estimates	Difference
Disability Awards	\$108,535,000	\$4,496,000	(\$104,039,000)
Supplementary Retirement Benefit Payout Grant	\$53,793,000	\$1,136,000	(\$52,657,000)
Education and Training Benefit	\$44,100,000	\$42,436,000	(\$1,664,000)
Last Post Fund	\$9,275,000	\$8,019,000	(\$1,256,000)
Commonwealth War Graves Commission	\$11,772,000	\$11,700,000	(\$72,000)
War Veterans Allowances and Civilian War Allowances	\$5,265,000	\$5,130,000	(\$135,000)
Assistance to Canadian Veterans – Overseas District	\$75,000	\$70,000	(\$5,000)
<b>Total</b>	<b>\$232,815,000</b>	<b>\$72,987,000</b>	<b>(\$159,828,000)</b>

## ▼ Vote 5 – Grants and Contributions (No Change to Reference Levels)

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Vote 5	2019-20 Main Estimates	2020-21 Main Estimates	Difference
Flying Accidents Compensation Regulations Payments	\$975,000	\$975,000	\$0
Commemorative Partnerships Grant	\$750,000	\$750,000	\$0
Treatment Allowances	\$625,000	\$625,000	\$0
Assistance Fund	\$420,000	\$420,000	\$0
United Nations Memorial Cemetery in Korea	\$70,000	\$70,000	\$0
Canadian Veterans Association of United Kingdom	\$5,000	\$5,000	\$0
Veterans and Family Well-Being Fund Grant	\$2,000,000	\$2,000,000	\$0
Veterans and Family Well-Being Fund Contributions	\$1,000,000	\$1,000,000	\$0
Veterans Emergency Fund	\$1,000,000	\$1,000,000	\$0
Children of Deceased Veterans Education Assistance Program	\$978,000	\$978,000	\$0
Career Transition Services	\$73,000	\$73,000	\$0
Gallantry Awards	\$4,500	\$4,500	\$0
<b>Total</b>	<b>\$7,900,500</b>	<b>\$7,900,500</b>	<b>\$0</b>



- **CFO sign-off on the page proof package is due to Treasury Board Secretariat the earlier of 5 working days after receipt or January 31, 2020.**
- **Sign-off signifies agreement with the overall content and that the Deputy Minister and Minister have been briefed and are also in agreement.**
- **2020-21 Main Estimates are expected to be tabled in Parliament the final week of February 2020 (date subject to change).**
- **A complete briefing package will be provided in advance of any appearances before Committees of Cabinet.**

## ▼ Annex A: Vote 1 – Operating Expenditures

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Vote 1	2019-20 Main Estimates	2020-21 Main Estimates	Inc. (↑) Dec. (↓)	Difference
Regular Operating	\$321,447,627	\$290,586,221	↓	(\$30,861,406)
Other Health Purchased Services (SPA)	\$705,301,836	\$773,108,000	↑	\$67,806,164
Veterans Support Services (SPA)	\$87,518,031	\$91,125,000	↑	\$3,606,969
Advertising Initiatives (SPA) (Treasury Board Secretariat Horizontal item)	\$2,150,000	\$0	↓	(\$2,150,000)
Ste. Anne's Hospital (SPA)	\$2,296,322	\$1,045,707	↓	(\$1,250,615)
Budget 2017 Outreach Strategy (SPA)	\$6,484,283	\$3,000,000	↓	(\$3,484,283)
<b>Total Vote 1 – Operating expenditures</b>	<b>\$1,125,198,099</b>	<b>\$1,158,864,928</b>	<b>↑</b>	<b>\$33,666,829</b>

*SPA – Special Purpose Allotment (set by Treasury Board to control funds for a specific purpose)*