

MAIN ESTIMATES - DEPARTMENTAL BUDGET **2024-2025**

- Veterans Affairs Main Estimates reflect this government's continued commitment to Veterans to restore critical access to services and improve the long-term financial security and independence of ill and injured Veterans and their families.
- Over 90% of the Department's budget represents payments to Veterans, their families and other program recipients.
- Veterans Affairs Canada's budget reflects the historic steps we have taken to ensure Canadian Veterans and their families are treated with care, compassion and respect.
- The 2024-25 Main Estimates provide VAC funding of \$6.2 billion.

WHEN PRESSED:

Q1 – Why is the Department’s budget increasing in these Main Estimates compared to the previous year.?

The 2024-2025 Main Estimates reflect funding adjustments for the following:

- Annual quasi-statutory program adjustments;
- Newly signed collective bargaining agreements;
- Extension of resources to support disability adjudication and case management services;
- Funding for Automation & Modernization, Prg Integrity and BPA;
- Logan Class Action Final Settlement Agreement; and
- Commemorative Priorities to honour Veterans.

Q2 – Does the increased budget result in increased program funding?

Yes. Overall, VAC’s budget is increasing by \$229 million (or 4%) over the 2023-24 Main Estimates, of which over 90% represents payments to Veterans, their families and other program recipients

Q3 – Is this funding enough for the proper care and treatment of Veterans?

Yes, the majority of VAC’s funding is for Veterans benefits and services, based on demand and considered “quasi-statutory” in nature. VAC’s client and expenditure forecast is updated annually and is used to determine budgetary requirements.

VAC builds its budget to ensure that all eligible Veterans who come forward receive benefits to which they are entitled.

Q4 – What is a Quasi-statutory program?

The majority of Veterans Affairs Canada’s programs are demand driven (or quasi statutory). For these quasi-statutory programs, the Department annually estimates how many Veterans will come forward and receive program benefits, and how much funding will be required to meet that forecasted demand.

Q5 – What will happen if demand for a program exceeds the forecasted expenditures?

If, during the year, more Veterans require benefits and services than previously forecasted under a specific Veteran program, our Department has the ability to increase budgets accordingly through an annual Quasi Statutory Treasury Board Submission.

Main Estimates – Departmental Budget 2024-25

Source: Chief Financial Officer Corporate Services Date: 2024/11/22

Q6 – Why has the funding for Income Replacement Benefit increased by \$100M?

Increased spending is forecasted for the Income Replacement benefit as we anticipate continued growth of the program as more clients are in pay for the monthly benefits which are paid for life.

Q7 – Why is funding for Pensions for Disability and Death decreasing by \$31M in 2024-25?

This is primarily due to the declining number of recipients – War Service Veterans as a client group will continue to decline in the coming years.

BACKGROUND – MAIN ESTIMATES – DEPARTMENTAL BUDGET 2024-2025

The 2024-25 Main Estimates provide Veterans Affairs Canada funding of \$6.21 billion, which represents a net increase of \$229 million (4%) compared to last year's Main Estimates (2023-24).

The 2024-2025 Main Estimates reflect funding adjustments for the following:

- Annual quasi-statutory program adjustments;
- Newly signed collective bargaining agreements;
- Extension of resources to support disability adjudication and case management services;
- Funding for Automation & Modernization, Prg Integrity and BPA;
- Logan Class Action Final Settlement Agreement; and
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The net increase of \$229 million is comprised of the following items:

- **\$29M increase in Vote 1 (Operating):**
 - Regular operating: \$23.1M increase due to new funding for Collective Bargaining and Logan, offset by reduction due to the Reduced Government Spending initiative.
 - Other Health Purchased Services: \$14.8M increase due to overall increase in clients and expenditures in treatment/healthcare.
 - Veterans Support Services: \$8.6M decrease as forecast was based on limited data available from new rehabilitation contractor. As more data becomes available in 2024-25, the forecast will be refined.
- **\$202M increase in Vote 5 (Grants and Contributions):**
 - Increase due to increased demand and/or increased expenditures for the following programs:
 - Income Replacement Benefit: \$101M
 - Additional Pain and Suffering Compensation: \$79M
 - Housekeeping & Grounds Maintenance: \$21M
- **\$1.4M decrease in Statutory budget**
 - Employee Benefit Plan: Decrease due to annual adjustment exercise.

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