

LOGAN CLASS ACTION

- Our Government places a high value on ensuring that Veterans are recognized for their military service, and that they receive the benefits and services to which they are entitled.
- The Government is working closely with all parties to ensure that issues identified by the court surrounding the calculation of Canadian Armed Forces Long Term Disability payments are addressed.
- Given the interactions between the Canadian Armed Forces Long Term Disability insurance program and Veterans Affairs Canada Financial Benefits, we recognize Veterans and their families may have questions about what this means for them.
- A settlement agreement was approved by the Federal Court on April 24th, 2023 and became effective June 23, 2023.

WHEN PRESSED:

Q1 – What is this class action about?

The Logan Class Action challenged how Canadian Armed Forces Long Term Disability (CAF-LTD) benefits were calculated; specifically, it alleged that the calculation of CAF-LTD should also have included allowances that were in pay to CAF members at the time of their military release (for Regular Force Members) or at time of illness/injury (for Reserve Class C Members).

Q2 – What did the Federal Court decide?

In March 2020, the Federal Court decided for the Plaintiff, i.e., that “monthly pay,” for the purposes of calculating CAF-LTD benefits should have included monthly military allowances. The Federal Court left it to the parties to negotiate a settlement.

Q3 – Who is the Class?

The Federal Court has defined the Class as *“All former members of the Canadian Armed Forces who on or after July 17, 2012, received long term disability benefits and/or dismemberment benefits under Division 2, Part III(B) of SISIP Policy 901102, and had an allowance from the Canadian Armed Forces in effect on the date of their release from the Canadian Armed Forces or, in the case of a Class “C” member, when the injury was incurred or the illness was contracted.”*

Q4 – What is the current status?

A settlement agreement was approved by the Federal Court on April 24, 2023, and became effective June 23, 2023.

Q5 – Are VAC benefits implicated? If so, how?

Yes, VAC benefits are implicated because there are interactions between CAF-LTD and VAC Financial Benefits. Specifically, CAF-LTD was deducted as part of the calculation of VAC’s Earnings Loss Benefit (ELB) from 2006 until March 31, 2019. CAF-LTD is also deducted as part of the calculation of VAC’s Income Replacement Benefit (IRB).

Retroactive CAF-LTD adjustment payments will require VAC to recalculate ELB and IRB benefits paid to Class Members in the past to determine if there were overpayments. However, **if the settlement agreement is approved**, these overpayments **will not be recovered** from Class Members.

For Class Members who continue to receive both CAF-LTD and IRB, VAC will recalculate their IRB on a go-forward basis to account for their adjusted CAF-LTD benefit amount; a higher CAF-LTD amount could result in a lower IRB amount.

Q6 – When will the retroactive CAF-LTD adjustment payments be made?

The CAF-LTD retroactive adjustment payments will be made by Manulife Financial. Manulife Financial has been given until 18 October 2024 to make 50% of payments, and until 31 December 2024 to make 70% of payments. Manulife Financial has a deadline of 24 June 2025, set out in the settlement agreement, to pay 100% payments (excluding estate claims, claims subject to appeals, and claims where further information has been requested from a Class Member but not received).

BACKGROUND — LOGAN CLASS ACTION

July 17, 2018:	A former Canadian Armed Forces member filed a class action lawsuit alleging the formula used to calculate long-term disability payments is incorrect, resulting in lost benefits.
March 24, 2020:	Federal Court ruled in favour of the Plaintiff and the Class, i.e., that “ <i>A Class member’s allowances should be included in the Class member’s monthly pay when calculating LTD benefits, but only the allowances that are paid on a monthly basis</i> ”. The Court left it to the parties to negotiate the amount of damages.
December 2022	A tentative settlement agreement was reached between the parties.
April 24, 2023	The settlement agreement was approved by the Federal Court and became effective June 23, 2023.
December 15, 2023	The first CAF-LTD retroactive adjustment payment was made by Manulife Financial.