

MANUGE 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.
- On 17 October 2023, the Federal Court approved a Notice of Settlement to class members advising them that the parties had come to a settlement.
- The Final Settlement Agreement is available to view on Class Counsel's website.
- On 17 January 2024, the Federal Court approved the Settlement.
- The Department is moving forward with implementing the Final Settlement Agreement. Payments to class members are expected to begin in fall 2024.
- *redacted*

WHEN PRESSED:

Q1 – What is this class action about?

Certain benefits that Veterans Affairs Canada (VAC) administers must be annually adjusted (escalated). The Class claims that VAC miscalculated benefit adjustment rates under section 75 of the *Pension Act* from 2003 to present, resulting in underpayments to class members. The issues include, among other things, whether VAC miscalculated benefit adjustment rates and whether members of the Class are entitled to damages and interest as a result.

Q2 – Who is the Class?

The Class includes all members and former members of the Canadian Armed Forces and Royal Canadian Mounted Police, and their spouses, common-law partners, dependents, survivors, orphans, and any other individuals, including eligible estates of all such persons, who received, at any time between 2002 and the present, disability pensions, disability awards, and certain other benefits affected by the annual adjustment of the basic pension under section 75 of the *Pension Act*. The class size is estimated at 333,000 clients in total. Of this, approximately 119,000 are active clients and about 214,000 represent estates and class members no longer receiving benefits from VAC.

Q3 – What was VAC’s disability pension corrective adjustment, and how does it relate to the class action?

In 2017, the Office of the Veterans Ombudsman (OVO) found a discrepancy in VAC’s historical escalations of disability pensions. The OVO’s findings were released publicly in November 2018. In 2018, VAC issued a statement in response to the discrepancy. Beginning in 2019, VAC issued retroactive payments to affected individuals. To date, VAC has issued more than 108,000 corrective payments totaling more than \$78 million to affected recipients, or their estates.

Q4 – What is the total settlement amount?

The total amount to be paid to the class is up to \$817.3M.

Q5 – When will payments be made?

Payments to class members are expected to begin in the second half of 2024.

Q6 – There is a new Class Action *redacted*, how does this new claim relate to the *Manuge* *redacted*?

We respect the right of Canadians to engage the Courts, and we will respond to the statement of claim through that process. Given that the case is currently with the Court, it would be inappropriate for me to comment further.

Manuge Class Action

Source: Service Delivery Date: 2024/11/22

BACKGROUND — MANUGE CLASS ACTION

The *Manuge* Class Action claims that Veterans Affairs Canada (VAC) miscalculated benefit adjustment rates under section 75 of the *Pension Act* from 2002 to present, resulting in underpayments to class members.

Certain benefits that VAC administers must be annually adjusted (escalated). The issues include, among other things, whether VAC miscalculated benefit adjustment rates and whether members of the Class are entitled to damages and interest as a result.

Certified on December 23, 2020, the Class includes: all current and former members of the Canadian Armed Forces and RCMP; their spouses, common-law partners; dependents, survivors; orphans and any other individuals; in addition to eligible estates, who received, benefits from VAC affected by the annual adjustment of the basic pension under section 75

of the *Pension Act*. The time period covered by the class is 2002 to the present. VAC estimates the Class size to be approximately 333,000 clients in total. Of this, approximately 119,000 are active VAC clients, (including approximately 20,000 members or former members of the RCMP), and about 214,000 represent estates and class members no longer receiving benefits from VAC.

On 17 October 2023, the Federal Court approved a Notice of Settlement to class members advising them that the parties had come to a settlement. On 18 December 2023, the Federal Court held an approval hearing for the Final Settlement Agreement. On 17 January 2024, the Federal Court issued the Settlement Approval Order.

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