

# Income Replacement Benefit (IRB)

The monthly benefit is designed to provide income support if you are experiencing barriers to re-establishment in post-service life due to a health problem resulting primarily from service. The benefit is available to you, your survivor, and orphans, for life, should you need it.

The benefit begins on 1 April 2019.

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## Eligibility

The Income Replacement Benefit is intended to meet your needs if you have barriers to re-establishment due to physical or mental health problem(s) resulting primarily from service; and are eligible for VAC's rehabilitation program.

## How the benefit is calculated

This benefit is calculated by taking 90 percent of your salary at the time you were released from the military (indexed annually to the present day to account for inflation) less offsets (e.g. amounts payable under the *Canadian Forces Superannuation Act*). The benefit guarantees a minimum amount of \$48,600/year.

If you have a Diminished Earnings Capacity, your salary at the time of release will also be increased by one percent every year until you reach what would have been 20 years of service or age 60.

## Taxable benefit

This benefit is taxable because it is a replacement for income that would have been earned had you not had an injury or illness primarily resulting from service.

## Employment earnings

You may earn up to \$20,000 in employment earnings per year before any reductions will be made to this benefit. Employment income in excess of \$20,000 will be fully offset dollar for dollar from your IRB amount.

## Eligibility for lifelong payments

If you are participating in VAC's rehabilitation program you will be evaluated before turning 65 or after your completion of the rehabilitation or vocational assistance program. If the permanent physical or mental health problem results in a Diminished Earnings Capacity (DEC) then the benefit will be extended for your lifetime or until you no longer have a Diminished Earnings Capacity.

## After you turn 65 years old

If you have a Diminished Earnings Capacity prior to age 65 the benefit may be payable for life. After you reach the age of 65, instead of 90 percent of the release salary, you will receive 70 percent of the amount less offsets.



## In the event of death

Your survivor and/or orphan may receive this benefit in the event of your passing.

### If the death is service-related and occurs before the age of 65

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In this case, your survivor and orphan will receive the same amount of IRB as you could have received before offsets (90 percent of salary at release or the minimum amount) less any amounts the survivor receives related to you.

Following the month of your 65th birthday if you had lived, your survivor and orphan will receive 70 percent of the post age 65 reduced IRB amount, less any amounts the survivor receives related to you. There are no offsets applied to an orphan's IRB amount.

### If the death is non-service-related and occurs before the age of 65 while I am entitled to the benefit

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In this case, your survivor and orphan will receive a lump sum equal to 24 times the amount that you received in the month your death occurred before offsets.

### If the death occurs after the age of 65 while I am entitled to this benefit

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In this case, your survivor and orphan will continue to receive 70 percent of the post age 65 reduced IRB amount before offsets, less any amounts the survivor receives related to you. Where there is a survivor and orphan, your survivor would get 50 percent and your orphan(s) would get the other 50 percent. If no survivor, then your orphan(s) will split the full amount. There are no offsets applied to an orphan's IRB amount.

## Appeal options

If you, your survivor and orphan(s) are not satisfied with Veterans Affairs Canada's decision on the Income Replacement Benefit, you may request a review by writing, within 60 days after receiving your decision letter, to the address below:

### **A** LETTER BY MAIL

Veterans Affairs Canada  
National 1st Level Appeals Unit  
PO BOX 6000  
Matane QC G4W 0E4

### **B** SECURE MESSAGE

Register and send a secure message through My VAC Account.

If you, your survivor and orphan(s) are not satisfied with the first level of review, you may request a second review by writing, within 60 days after receiving your decision letter, to the address below:

### **A** LETTER BY MAIL

Veterans Affairs Canada  
National 2nd Level Appeals Unit  
PO BOX 6000  
Matane QC G4W 0E4

### **B** SECURE MESSAGE

Register and send a secure message through My VAC Account.