

# PAIN AND SUFFERING COMPENSATION

The purpose of the Pain and Suffering Compensation (PSC) is to recognize and compensate a serving member or Veteran for the pain and suffering experienced as a direct result of his or her service-related disability. This includes impacts on the Veteran's overall quality of life and family (surviving spouse, common-law partner and/or dependent children). A Veteran can choose to receive the PSC as monthly payments for the remainder of his or her life, or to cash the monthly amount out for a lump sum payment.

The PSC is expected to come into effect April 1, 2019.

Any future disability benefit applications after March 31, 2019, will be for the Pain and Suffering Compensation because it is replacing the current Disability Award.

## ELIGIBILITY

Any member and Veteran with a disability resulting from a service-related illness and/or injury will be eligible to apply for the PSC. However, not all members and Veterans will receive the same level of payment.

*Note:* In order to benefit from the introduction of this new benefit, members and Veterans who have received the Disability Award since 2006 may receive an additional monthly amount. The calculation of this additional monthly amount is determined by taking into consideration the actual amount of Disability Award previously paid to the member or Veteran, the amount that could have been received as a monthly payment and mortality rates.

## PAYMENT CALCULATION

The amount of money that the member or Veteran receives as part of the PSC is directly related to the extent of the service-related disability. As part of the application process, a Veterans Affairs Canada adjudicator reviews the member's or Veteran's service and medical history. Following an assessment of both the extent of disability, and whether or not service is the cause, a specific level of disability is assigned to the member or Veteran. It is this level of disability that determines the monthly PSC payment.

## NON-TAXABLE BENEFIT

This specific benefit is not taxable because it compensates for pain and suffering.

## PAYMENT AND DELIVERY

Members and Veterans may choose from two different payment methods:

- **A monthly payment for the remainder of their lives**
- **A lump sum cash out.**

If the member or Veteran changes his or her mind in the future and wishes to stop receiving a monthly payment, he or she may instead receive the balance of the PSC in a lump sum payment.



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## Monthly:

The maximum monthly payment is \$1,150 for life. The size of the amount depends on the extent of a Veteran's service-related disability. The greater the extent of service-related disability, the larger the payment would be, to a maximum of \$1,150 per month. The \$1,150 will be indexed annually in accordance with the Consumer Price Index.

## Lump sum:

The highest possible lump sum payment of the PSC would be the same as the maximum Disability Award payment on the day before coming into force.

## IN THE EVENT OF DEATH

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If a Veteran is receiving the PSC monthly benefit at the time of their death, and any residual amount is left over, it will be cashed out to survivors and dependent children.

Survivors and dependent children may also apply for a PSC that the Veteran could have applied for prior to their death, and they may receive a lump sum amount if approved.

## OTHER FINANCIAL SUPPORT

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There are other non-taxable benefits available such as the existing Clothing Allowance and Critical Injury Benefit as well as the new Additional Pain and Suffering Compensation. Veterans who have been injured and/ or ill can also receive the Income Replacement Benefit, a taxable benefit which is meant to compensate for loss of earnings. A wide range of benefits, programs and services in support of overall well-being—social, mental, physical and professional—are also available to Veterans through Veterans Affairs Canada.

## FINANCIAL ADVICE:

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Currently, VAC will cover the costs related to receiving financial advice, up to a maximum of \$500. This will continue under the PSC.

