Reimbursement of Fees for Financial Advice

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Purpose

This policy provides direction on the payment or reimbursement of fees for financial advice paid by a person who has received a disability award, pain and suffering compensation, detention benefit, death benefit, or critical injury benefit under the *Veterans Well-being Act* (VWA).

Policy

Eligibility

1. Any person who meets the following criteria can be paid or reimbursed for financial advice fees:
    a. The person received a detention benefit, a death benefit, a disability award, pain and suffering compensation or critical injury benefit;
    b. In the case of the disability award and the Pain and Suffering Compensation, the assessment must be 5% or greater;
    c. The individual received financial advice from an arms-length financial advisor primarily engaged in the business of providing financial advice; and
    d. The financial advice is related to the detention benefit, death benefit, disability award, pain and suffering compensation or critical injury benefit.
2. An individual can choose to be paid or reimbursed for financial advice fees any time after receiving the disability award, pain and suffering compensation, detention benefit, death benefit or critical injury benefit amount as long as the application for payment or reimbursement is made within 12 months after the date of the detention benefit, death benefit or disability award decision.
3. For the purpose of this policy, a person has “received” a disability award, pain and suffering compensation, detention benefit, death benefit, or critical injury benefit when the Department has made a favourable ruling on an application and there is an amount to be paid to the applicant. This interpretation ensures that individuals can get financial advice to decide whether or not to take the disability award as a

lump sum, annual payments or a combination of both.

Arms-length Financial Advisor

4. An “arms-length financial adviser” is an individual who is not related to the person by blood, marriage/common-law partnership, or adoption.

What is Financial Advice?

5. Financial advice is advice that helps a person manage the money he or she receives from Veterans Affairs Canada as a disability award, pain and suffering compensation, detention benefit, death benefit, or critical injury benefit. It includes, but is not limited to, fees associated with: the time to meet with the financial advisor; the time it takes the advisor to review the personal financial situation of the individual; the time it takes the advisor to prepare a financial plan for the person as a result of receiving the award or benefit; daily newsletters containing investment information; and updates and advice on the markets.
6. Financial advice does not include such things as income tax preparation, commission or annual fees on investments, portfolio fees, administrative costs associated with investments, and travel costs to meet with a financial advisor.

Maximum Amount

7. The maximum amount that can be paid or reimbursed for financial advice is $500 per detention benefit, death benefit, disability award, pain and suffering compensation, or critical injury benefit. This means that $500 can be paid or reimbursed each and every time the eligibility criteria in #1 above are met. This includes each disability award reassessment that may occur.
8. If the fees incurred or expended by the person are in excess of $500, the person will be responsible for the difference.
9. The fees for financial advice can never be paid directly to the financial adviser.

Appeals or Reviews

10. There are no reviews or appeals available relating to any decision on the non-payment of fees for financial advice.
11. Should a request for payment or reimbursement of financial advice fees be denied by the Department, and the individual provides additional information to the Department that shows the activity was financial advice, the Department can re-examine the claim.

References

Veterans Well-being Act, subsection 94(d)

Veterans Well-being Act Regulations, section 62