Veterans Affairs Canada | Anciens Combattants Canada

Additional Monthly Amount

Issuing Authority: Director General, Policy and Research
Effective Date: 1 April 2019
Document ID: 2827

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Purpose

The purpose of this policy is to provide guidance on the administration of the Additional Monthly Amount (AMA).

Policy

The *Veterans Well-being Act* (VWA), section 2(1) and sections 131 and 132 of the Transitional Provisions, and the *Veterans Well-being Regulations*, sections 19 and 20 of the Transitional Provisions, set out the authorities for granting and administering the payment.

Definitions

1. **Disability Award** (DA) – means a disability award paid under section 45, 47 or 48 of the *Veterans Well-being Act* as it read immediately before April 1, 2019.

General

2. The policy intent of the AMA is to provide a monthly payment to members and Veterans who were previously paid a Disability Award but would have received a higher amount under the new Pain and Suffering Compensation (PSC) benefits program, had it existed prior to April 1, 2019, when they received the Disability Award.

3. As of April 1, 2019, the PSC replaces the DA and is a non-taxable monthly benefit payable under the *Veterans Well-being Act.*

Application Requirements

4. There is no requirement to submit an application for the Additional Monthly Amount. Veterans Affairs Canada will automatically complete a calculation for all members and Veterans who received a Disability Award. The calculation will determine whether or not a member or Veteran will receive an additional monthly payment, and if so, the amount of the payment. The details related to the calculation can be found in the *Amount of AMA* section of this policy. Members and Veterans will be notified in writing of the outcome of their calculation.

Eligibility

5. The additional monthly amount calculation will be completed for members and Veterans who received a Disability Award.
6. The member or Veteran must be alive on April 1, 2019, to be paid the additional monthly amount. If the member or Veteran is alive on April 1, 2019, but dies before the additional monthly amount is received, the amount to which they were entitled to receive prior to their death may be paid pursuant to 87.1 of the *Veterans Well-being Act*.

Amount of AMA

7. Section 132 of the *Veterans Well-being Act* outlines the calculation used to determine whether or not an additional monthly amount is payable to a member or Veteran. The calculation sets out the amount payable for each disability award that was paid.
8. The following formula is used to determine the additional monthly amount payable to a member or Veteran:

   A - [(B - C) / D]

   - **A** is equal to the monthly PSC amount set out in Column 3 of Schedule 3 of the VWA as it read on April 1, 2019, that corresponds to the extent of disability for which the disability award was paid.
   - **B** is equal to the lump sum amount of the disability award that was paid to the member or Veteran prior to April 1, 2019. This amount includes any lump sum amount that would have been payable if the member had elected a lump sum in lieu of annual payments or in lieu of a combination of lump sum and annual payments as well as the additional payment received as a result of the Budget Implementation Act 2016, No.1 with respect to the disability award.
   - **C** is equal to the number obtained by multiplying the monthly PSC amount set out in Column 3 of Schedule 3 of the VWA as it read on April 1, 2019, that corresponds to the extent of disability for which the disability award was paid, by the number of months for the period beginning with the month in which the disability award was paid and ending with the month of March 2019.
   - **D** is a number determined in accordance with generally accepted actuarial principles for the purpose of converting the lump sum represented by B-C into a monthly annuity payable over the projected life of the member or Veteran.

   For further information on the additional monthly amount and how it is calculated, please visit the Pension for Life site.

9. The Additional Monthly Amount is a tax free monthly payment payable for life that is adjusted annually on January 1 in accordance with the percentage increase to the Consumer Price Index, rounded to the next 0.10%, for the year ending on October 31 of the previous year.
10. The Additional Monthly Amount is payable if the member or Veteran would have received a higher amount under the PSC had it existed at the time they received their Disability Award. It is not payable if the Disability Award paid is more than what the member or Veteran would have received as PSC.
11. For members or Veterans who received multiple Disability Awards the AMA calculation will be completed for each DA paid. Any AMA calculations that result in an amount payable will be combined to determine the total AMA payable.

Date Payable

12. The additional monthly amount begins to be payable on April 1, 2019.

Duration of the Additional Monthly Amount

13. The additional monthly amount is no longer payable on the first day of the month after the month in which the member or Veteran dies.

Review

14. There are no statutory review rights for the additional monthly amount.

Disability Award Annual Payments

15. If a member or Veteran chose to be paid one or more DAs in annual payments before April 1, 2019, and is eligible to receive an additional monthly amount in respect of any one of those DAs, the member or Veteran will be deemed to have elected on April 1, 2019, to cash out any remaining annual DA payments into a lump sum payment.
16. Those who are in receipt of annual Disability Award payments on April 1, 2019, and who are not eligible for an additional monthly amount in respect of any DA that forms part of the annual payment will continue to receive their Disability Award annual payments for as long as they have elected unless they choose to cash out any remaining annual payments for a lump sum amount.
17. A member or Veteran to whom a Disability Award is payable and who may elect after April 1, 2019, to be paid the DA as annual payments as set-out in section 131 (2) will be deemed instead to have elected to be paid a lump sum DA if an AMA is payable. In these circumstances, the member or Veteran will be paid a lump sum DA.

Disability Award Amount Adjustments

18. If a Departmental Review or Veterans Review and Appeal Board (VRAB) decision made after April 1, 2019, of a DA decision rendered prior to April 1, 2019, results in an increased assessment, the payment will be made as Pain and Suffering Compensation. A recalculation of the AMA would not be required as no Disability Awards may be granted after April 1, 2019.
19. If a Departmental Review or VRAB decision rescinds a DA decision made prior to April 1, 2019, the member or Veteran would not be entitled to an AMA. Any AMA that has already been paid in respect of that DA would be considered an overpayment.

References

Pain and Suffering Compensation

Veterans Well-being Act

Veterans Well-being Regulations