



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER  
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

# Cost Estimate of Election Campaign Proposal

Publication Date:	September 2021						
Short Title:	Financial support for Canadian Armed Forces members						
Description:	Mandating that the Canadian Armed Forces (CAF) retain all medically-releasing members until all benefits and services from the CAF, Veterans Affairs Canada and the Service Income Security Insurance Plan have been confirmed and put in place. This proposal will become effective following the clearing of the current backlog of benefit applications.						
Cost of Proposed Measure:	\$ millions	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Total
	Total cost	-	-	4	4	4	12
Notes:	<ul style="list-style-type: none"><li>· Estimates are presented on an accrual basis as would appear in the budget and public accounts.</li><li>· A positive number implies a reduction in the budgetary balance (lower revenues or higher spending). A negative number implies an increase in the budgetary balance (higher revenues or lower spending).</li><li>· "-" = PBO does not expect a financial cost.</li></ul>						
Estimation and projection method:	PBO estimated that the current application backlog would be cleared by the end of 2022-2023. PBO assumed that 1,500 CAF members would be medically released every year, and that 10% of these cases would be complex. These cases were assumed to experience a delay of 16 weeks, on average, during which the affected CAF member would be retained on payroll. The cost of this measure was calculated by multiplying the difference between the average CAF salary and average Veterans' benefits by the number of affected members and by the assumed average wait time.						
Source of Uncertainty:	The main sources of uncertainty relate to the assumed number of complex cases and the assumed delay in resolving complex cases.						
Data Sources:	Variable	Source					
	Number of medically-releasing CAF members	Veterans Ombudsman, 2017					
	Proportion of medically-releasing CAF members with complex cases	Veterans Ombudsman, 2017					
	Average salary of CAF members	PBO Force Structure model					
	Average benefit of medically-releasing CAF members	PBO calculations					