



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

# Cost Estimate of Election Campaign Proposal

Publication Date: September 2021

Short Title: Introducing a new non-taxable benefit for Veterans

Description: The proposal provides a new non-taxable benefit that will ensure that all Veterans receive as much as they would have under the *Veterans Well-being Act*.

Cost of Proposed Measure:	\$ millions	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Total
Total cost		159	52	51	51	51	364

Notes:

- Estimates are presented on an accrual basis as would appear in the budget and public accounts.
- 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).
- "-" = PBO does not expect a financial cost.

Estimation and projection method: The PBO model of Veterans' disability benefits was used to identify gaps between benefits under the Pension for Life and the *Veterans Well-being Act*. The number of affected Veterans and their monthly benefits were determined and projected using microdata based on recent new recipients. A behavioural response was not incorporated.

Source of Uncertainty: The main sources of uncertainty relate to the projected number of new entrants and their health status.

Data Sources:	Variable	Source
	Veterans' demographic information	Veterans Affairs Canada
	Number of affected Veterans	PBO, Office of the Chief Actuary
	Discount rate	PBO, Treasury Board of Canada