

Cost estimate for the Veterans portion of Bill C-221: An act to amend certain Acts in relation to survivor pension benefits



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This enactment amends certain Acts to allow the survivor of an eligible person to receive pension benefits after the death of the person even if the person and the survivor married or began cohabiting in a conjugal relationship after the person attained the age of 60 years or retired. The PBO estimates the cost of the Veterans portion of this Bill with an effective date of January 1, 2023.

5-Year Cost

\$ millions	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Total cost	15	62	64	66	69	276

Notes

- Estimates are presented on a cash basis. Estimates would be subject to adjustments based on appropriate accrual calculations.
- Positive numbers subtract from the budgetary balance, negative numbers contribute to the budget balance.

Estimation and Projection Method

The number of survivor spouses currently ineligible for survivor pensions due to having entered a relationship with a veteran after the year in which the veteran turned 60 years was provided by Statistics Canada for the year of 2018. This information was used to determine the number of ineligible spouses that would now be eligible to receive a survivor pension as a result of this Bill.

Data from the Actuarial Reports on the number of regular force surviving spouses from 2005 to 2019 was used to determine the change in survivor spouses not receiving benefits from 2018 to 2022. This average annual growth rate was applied to each subsequent year until 2027. Data from the Actuarial Reports on the average annual pension amount for regular force surviving spouses was used to determine the average annual pension amounts for each surviving spouse, and the change in annual pension amounts from 2019 (the most recent Actuarial report) to 2022. This average annual growth rate in pension amounts was applied to each subsequent year until 2027. Lastly, the PBO multiplied the number of recipients by the average annual pension amount, adjusting for the personal income tax gained from pension income.

Sources of Uncertainty

The main sources of uncertainty stem from pensioners who are currently contributing to an Optional Survivor Benefit (OSB) and current survivors in receipt of an OSB. These populations are excluded from the calculation. A behavioural response was not incorporated.

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Data Sources

Variable

Number of Regular Force Surviving Spouses

Average Annual Pension Amounts for Regular Force Surviving Spouses

Number of survivor spouses currently ineligible for survivor benefits due to having entered a relationship with a Veteran after the year in which the Veteran turned 60 years old

Source

Actuarial Report on the Pension Plans for Canadian Forces

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Statistics Canada

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