



Veterans Affairs    Anciens Combattants  
Canada                    Canada

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Parliamentary Budget Officer

JUL 29 2013

Directeur parlementaire  
du budget

JUL 24 2013

Sonia L'Heureux  
Parliamentary Budget Officer (Interim)  
Office of the Parliamentary Budget Officer  
111 Wellington Street  
Ottawa, ON K1A 0A9

**Re: Information Request IR0125: Last Post Fund**

Dear Ms. L'Heureux:

This letter is in response to your request of July 10, 2013 seeking information on the Funeral and Burial Program delivered by the Last Post Fund Corporation.

The Funeral and Burial Program is designed to ensure that eligible traditional and modern-day Veterans are provided a funeral and burial. The estate or family of an eligible Veteran applies to the Last Post Fund for funeral and burial benefits on behalf of a deceased Veteran who meets the eligibility criteria specified in the *Veterans Burial Regulations*. Funeral and burial assistance is paid on a reimbursement basis for last sickness (e.g. medical expenses such as ambulance charges, prescriptions, etc.), funeral services, burial/cremation costs and a military-style grave headstone or inscription on a private headstone.

There are two gateways whereby an eligible recipient may receive funeral and burial assistance through the Program. Assistance can be provided as a "matter of right" or through an assessment of a Veteran's estate at the time of death, known as "means-tested." "Matter of right" provides assistance to a Veteran who dies of a service-related disability,

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up to the maximum payable rates outlined in the Regulations. "Means-tested" assesses the value of the Veteran's estate, and if applicable, that of his/her survivor at time of the Veteran's death. Full or partial assistance is reimbursed by VAC up to the maximum allowable under the Regulations. In cases where the Veteran leaves a survivor, the Regulations allow the survivor to exempt the home, a car and \$12,015 from the means-tested calculation. This leaves the survivor with additional resources to transition to a reduced level of income following the Veteran's death.

As you know, the Economic Action Plan 2013 authorized \$65 million over two years (on an accrual basis) to enhance the Funeral and Burial Program, by simplifying the Program and more than doubling the current funeral services reimbursement limit from \$3,600 to \$7,376. The attached worksheet outlines the estimated expenditure profile over the next five years.

The key underlying assumptions used to construct the cost estimates were:

- the funeral limit would increase from \$3,600 to \$7,376 (i.e. the average cost of funeral services in Canada based on information provided by the Funeral Services Association of Canada and adjusted for inflation);
- the future deaths (projected by OSFI) taking into account the mortality rates of the Veteran population; and finally
- the participation rate based on actual historical trends for War Service and Canadian Armed Forces Veterans for each benefit type (i.e. means-tested or matter of right).

Funding authorized through the Economic Action Plan 2013 is incremental to the current \$9.6 million budget for VAC's Funeral and Burial Program. No revenue will be generated outside the fiscal framework.

Further information on the proposed changes can be found at the following two web-sites:

- Canada's Economic Action Plan:  
<http://actionplan.gc.ca/en/initiative/veterans-affairs-canadas-funeral-and-burial>
- Canada Gazette:  
<http://www.gazette.gc.ca/rp-pr/p2/2013/2013-06-19/html/sor-dors110-eng.php>

I trust that this information satisfactorily responds to your request.

Sincerely,



Mary Chaput

Attachment

Proposal: \$7,376 Funeral Limit, Streamline the Administration (\$ thousands)						
Expected Costs (\$ thousands)	2013-14	2014-15	2015-16	2016-17	2017-18	5 Year Total
Accrual Costs	62,626	2,006	1,936	1,876	1,825	70,269
Cash Costs	4,308	4,724	4,292	3,880	3,528	20,731