

Subject: Treatment of the Veterans Affairs Canada Pain and Suffering Compensation (PSC) and Additional Pain and Suffering Compensation (APSC) Payments as Income and Assets.

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BACKGROUND:

Veterans Affairs Canada previously provided a Disability Award to eligible veterans. In April 2019, this payment was replaced with the Pain and Suffering Compensation (PSC) payment and the Additional Pain and Suffering Compensation (APSC) payment was introduced.

1. Payments as Income

Under the *Assured Income for the Severely Handicapped (AISH) Act*, Schedule 2, section 1, the PSC and APSC payments are not reportable to the Canada Revenue Agency (CRA) under the federal *Income Tax Act*. As a result, these payments are not included in the determination of income.

Note: Interest or investment income generated from these payments that is reportable to the CRA is considered passive business income and receives a partial income exemption. Any money remaining from these interest or investment amounts in subsequent months is considered a non-exempt asset.

2. Payments as Assets

Under the AISH General Regulation, Schedule 2, section 2(2)(i), the Minister exercised her authority to exempt PSC payments (formerly known as the Disability Award) from the determination of assets, including any assets purchased with these payments. As a result, these payments do not impact program or personal benefits eligibility.

Note: APSC payments have not been exempted as assets.

INTENT:

To ensure that AISH policy accurately reflects how the program treats Veterans Affairs Canada PSC (formerly known as the Disability Award) and APSC payments as income and assets.

POLICY:

The following program policies have been updated:

Assets - [Government Payments](#)