

Notice of Settlement Approval

The Class Action Regarding the Calculation of Canadian Armed Forces long term disability benefits and dismemberment benefits under the Service Income Security Insurance Plan Policy 901102

Logan v His Majesty the King, Court File Number: T-1358-18

The Federal Court has approved the proposed Settlement Agreement in this class action.

What is this action about?

The Plaintiff and the Class say that the Defendant breached the terms of Division 2, Part III(B) of **Service Income Security Insurance Plan (“SISIP”) Policy 901102 (“SISIP Policy”)** by improperly calculating the monthly long term disability income benefit, and monthly income benefit – dismemberment.

Division 2, Part III(B) of SISIP Policy 901102 provides long term disability (LTD) and dismemberment insurance to members of the Regular Force and Reserve Force – Class C who were medically released from the Canadian Armed Forces (“CAF”) on or after December 1, 1999, or were released on or after that date for other reasons, but are otherwise medically eligible.

In particular, the Plaintiff and the Class say the Defendant failed to include monthly allowances as part of the “member’s monthly pay in effect on the date of release from the Canadian Forces” for the purposes of calculating the monthly income benefits of Regular Force Members, or “monthly pay in effect when the injury was incurred or the illness was contracted” in the case of a Reserve Force Class “C” member.

The Federal Court ruled in favour of the Class. The parties have negotiated the remaining terms in the Settlement Agreement. Following a hearing on April 13, 2023, the Federal Court approved the Settlement Agreement.

Who are the Class Members?

The Federal Court has defined the Class as follows:

All former members of the Canadian Armed Forces who were released on or before December 31, 2021 and who on or after July 17, 2012 received, long term disability benefits and/or dismemberment benefits under Division 2, Part III(B) of SISIP Policy 901102, and had a monthly allowance from the Canadian Armed Forces in effect on the date of their release from the Canadian Armed Forces or, in the case of a Class “C” member, when the injury was incurred or the illness was contracted.

If you meet the above definition, you do not have to do anything to participate in this class action.

Any Class Member who previously opted out of this action may opt back into the action by contacting Class Counsel by August 28, 2023.

Any Class Member who has not already had the opportunity to opt out may do so by contacting Class Counsel by July 27, 2023. A Class Member who opts out of this class action will not receive any benefit from it.

What does the Agreement provide?

On March 24, 2020, the Federal Court ruled that, when calculating monthly LTD benefits and dismemberment benefits, a Regular Force Member's monthly allowances in effect on the date of their release from the CAF (or in the case of a Reserve Force Class "C" member, when the injury was incurred or the illness was contracted) should be included in the Class Members' monthly pay.

The Agreement provides that Class Members will receive 100% of the additional amount resulting from this adjustment, less deductions for legal fees, disbursements and amounts withheld by Manulife for potential tax or on account of amounts owing to Manulife by a Class Member, for all monthly LTD benefits that the Class Member received between July 17, 2012 and December 31, 2021 inclusively.

The Agreement provides that the retroactive payment received by Class Members as a result of this class action will not reduce the Class Member's benefits previously received from VAC, specifically the Earning Loss Benefit or the Income Replacement Benefit (IRB).

For Class Members in receipt of ongoing monthly LTD benefits on January 1, 2022, those benefits will continue to be calculated with the inclusion of relevant monthly allowances in a Class Members' monthly pay up to the end of the LTD claim. Following the recalculation of LTD to account for the inclusion of relevant monthly allowances, VAC will recalculate the IRB amount payable to each Class Member who continues to be entitled to IRB.

There is an independent dispute resolution process for individuals who do not agree with the amount of the payment received.

What will I have to do to make a claim?

You do not have to do anything to make a claim. Your payment will be calculated automatically and you will receive a direct payment from Manulife.

How do I get more information?

This notice summarizes the Agreement. More details are in the settlement agreement. You can get a copy of the agreement at: <https://www.mcinnescooper.com/services/sisip-ltd-allowances-class-action/>

You may also seek legal advice from lawyers representing the Representative Plaintiff and the Class concerning the Agreement and your claim at no cost to you.

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