



## Maintaining Incapacity Payments for Veterans Studying

This initiative maintains incapacity compensation payments at 100 per cent of pre-injury earnings for veterans undertaking study as part of their DVA-funded return to work rehabilitation program.

Incapacity payments are compensation for economic loss due to the inability, or reduced ability, to work because of an injury or disease that has been accepted as service related under the *Military Rehabilitation and Compensation Act 2004 (MRCA)* or the *Safety, Rehabilitation and Compensation Act (Defence-related Claims) 1988 (DRCA)*.

This initiative extends a four-year pilot that is supporting eligible veterans in full-time study by one additional year. Under the pilot, the incapacity payment “stepdown” to 75 per cent of pre-injury earnings, which usually takes effect after 45 weeks of compensation, is removed.

### Why is this important?

Providing extra financial support is beneficial for veterans undertaking further study with a view to return to work. Vocational rehabilitation equips veterans with the support and resources they need for their transition to the civilian workforce.

Veterans in the pilot program have indicated that they value the financial support of having their fortnightly compensation payments remain at their full pre-injury earnings level, as they transition from military service to a rehabilitation program focused on gaining sustainable employment in the civilian workforce.

### Who will benefit?

Veterans receiving incapacity payments under the MRCA or DRCA who are undertaking approved full-time study under a DVA vocational rehabilitation program.

Around 600 veterans are expected to benefit from this extension.

### Date of effect?

The pilot will be extended for one year from 1 July 2022 until 30 June 2023.

### How much will this cost?

\$7.1 million over one year.

