

## APPENDIX SIXTEEN

# PROPOSED DISABILITY COMPENSATION STRUCTURE

---

This appendix summarises the elements of the Committee's proposal for a revised *Veterans' Entitlements Act 1986* (VEA) disability compensation structure. It also provides examples of benefits available under both the existing and the proposed structures, using September 2002 payment rates. The Committee is aware that the personal situations of many veterans and their eligible dependants might be different from the examples provided. However, it believes that these examples provide fair representation of benefits available to veterans under both structures.

### NON-ECONOMIC LOSS DISABILITY COMPENSATION

Non-economic loss compensation would be compensation provided to a veteran for pain and suffering associated with a disability, disease or condition that is related to his eligible service:

- A veteran able to work full time, or who is not assessed under the VEA work tests, would be paid non-economic loss compensation at a proportion of the general rate assessed through the Guide to the Assessment of Rates of Veterans' Pensions (GARP).
- A veteran assessed as unable to work more than either eight or 20 hours per week because of an accepted disability alone would receive non-economic loss compensation at 100 per cent of the general rate.
- Non-economic loss compensation would be paid for life, and neither taxed nor means tested.
- Non-economic loss compensation would be offset dollar for dollar against any payment for non-economic loss received from workers' compensation,

invalidity superannuation benefit or any other form of disability insurance payment related to a veteran's accepted disabilities.

- The purchasing power of non-economic loss compensation would be maintained by indexation to the Consumer Price Index (CPI).

## **ECONOMIC LOSS COMPENSATION BEFORE NORMAL RETIREMENT AGE**

A veteran assessed as unable to work more than either eight or 20 hours per week because of an accepted disability alone would also be eligible to receive economic loss compensation. A veteran under normal retirement age would receive:

- a **special rate** of economic loss compensation benchmarked to 75 per cent of Male Total Average Weekly Earnings (MTAWE) if unable to work for more than eight hours per week; or
- an **intermediate rate** of economic loss compensation benchmarked to 37.5 per cent of MTAWE if able to work for eight but not more than 20 hours per week.

Economic loss compensation would be:

- indexed to MTAWE;
- paid net of tax without a Medicare levy;
- means tested to the maximum level of the single service pension, subject to normal income limits, but not including in the means test a partner's earnings or a veteran's earnings equal to:
  - one-fifth of the gross MTAWE if the veteran is in receipt of the special rate; or
  - one-half of the gross MTAWE if the veteran is in receipt of the intermediate rate; and
- offset dollar for dollar against any payment for economic loss received from workers' compensation, invalidity superannuation benefit and any other form of disability insurance payment related to a veteran's accepted disabilities.

A veteran in receipt of economic loss compensation and the veteran's partner would be excluded from receiving any income support pension under the VEA or the *Social Security Act 1991* (SSA) while the veteran is under normal retirement age.

## **ECONOMIC LOSS COMPENSATION AND REHABILITATION**

A comprehensive, universally applicable scheme of medical, social and vocational rehabilitation would be provided under repatriation legislation for all veterans. There would be an obligation on the veteran, when claiming disability compensation, to undertake an assessment of his rehabilitation needs, including the feasibility of being vocationally rehabilitated to re-enter the workforce. There would also be a consequential obligation on the veteran to undertake retraining if possible and to re-enter the work force. The work test for special and intermediate rate eligibility should not be restricted to the work experience of the veteran before his disablement but should include a broader range of employment options opened up by rehabilitation and retraining.

A veteran undertaking vocational rehabilitation would continue to receive economic loss compensation in the form of a rehabilitation allowance for the duration of the rehabilitation program being undertaken. Continued payment of any economic loss compensation would depend on the veteran meeting his rehabilitation obligations.

## **ECONOMIC LOSS COMPENSATION AFTER NORMAL RETIREMENT AGE**

After normal retirement age, a veteran who has been in receipt of economic compensation prior to that age would:

- receive economic loss compensation reduced to 10 per cent of MTAW, taxable (paid as a gross amount) but not means tested, and offset dollar for dollar against any workers' compensation, invalidity superannuation benefit and any other form of disability insurance payment related to the veteran's disabilities accepted under the VEA; and
- be entitled to claim the age service pension or the social security age pension, taxed and means tested.

## **INCOME SUPPORT FOR A VETERAN IN RECEIPT OF NON-ECONOMIC LOSS COMPENSATION ONLY**

A disabled veteran with qualifying service and not in receipt of economic loss compensation would continue to be entitled to claim the service pension at age 60 or the social security age pension at age 65 (if female, at 57 or 62 years respectively).

## Eligible Dependants

The partner and children of a veteran in receipt of non-economic loss compensation would be eligible for non-economic loss compensation, in addition to that paid to the veteran:

- The partner of a veteran receiving the special rate would receive non-economic loss compensation at 75 per cent of the level of non-economic loss compensation paid to the veteran.
- The partner of a veteran receiving the intermediate rate would receive non-economic loss compensation at 37.5 per cent of the level of non-economic loss compensation paid to the veteran.
- Non-economic loss compensation would be paid at these rates until the veteran reaches normal retirement age.
- Non-economic loss compensation would be paid at 25 and 12.5 per cent for partners of veterans on the 75 and 37.5 per cent rates, respectively, after the veteran's normal retirement age.
- A dependent child of a veteran receiving the special rate would receive non-economic loss compensation at 20 per cent of the level of non-economic loss compensation paid to the veteran.
- A dependent child of a veteran receiving the intermediate rate would receive non-economic loss compensation at 10 per cent of the level of non-economic loss compensation paid to the veteran.
- A dependent orphaned child of a veteran would receive 50 per cent of the level of non-economic loss compensation being paid to the veteran at the time of the veteran's death, or 100 per cent if both parents are deceased.
- Non-economic loss compensation would be paid to the child and orphan until 16 years of age, or 25 years of age if undertaking full-time education.
- If the partner of a veteran becomes a war widow/er (hereafter 'widow'), any non-economic loss compensation would be subsumed into the war widow's pension.
- A veteran's partner receiving non-economic loss compensation would be excluded from receiving any income support pension payments under the VEA or SSA while the veteran is under normal retirement age but would retain any entitlement to claim social security family benefits.

## Carer's Allowance

The partner of a veteran under 65 years of age in receipt of special rate economic loss compensation would be eligible for a carer's allowance of \$150 per fortnight if caring for the veteran full time and if under normal retirement age. Carer's

allowance would be indexed to the CPI, neither taxed nor means tested, and paid in lieu of the social security carer's allowance. Payment of carer's allowance would continue after a veteran reaches normal retirement age, but would cease on the veteran's death.

### **Private Health Insurance**

A private health insurance subsidy of around \$1300 per year would be provided to those special rate and extremely disabled veterans with dependent children who choose to take out such insurance. The subsidy would be set at the difference between the family and single rates of private health insurance and at a level that provides private hospital cover, doctor of choice and moderate extras cover.

### **Funeral Benefit**

The current maximum funeral benefit would increase from \$572 to \$1000.

### **War Widows**

The war widow's pension would automatically be available to the widow of a veteran who was in receipt of the special rate at the time of the veteran's death, regardless of whether the veteran transferred to the new scheme or not. Any non-economic loss compensation being paid under the new structure would be subsumed into the war widow's pension.

Subject to a means test, the widow of a special rate veteran would receive an additional bereavement payment, equal to 50 per cent of maximum rate economic loss compensation for seven fortnights after the veteran's death, reducing to 25 per cent for a further six fortnights. The benefit would be paid in addition to the normal bereavement payment of non-economic loss compensation. The widow would also retain eligibility to claim income support while receiving this bereavement payment.

The war widow's pension would be fully indexed, including the previously frozen \$25 per fortnight component. A war widow would also be eligible to claim rent assistance in addition to the income support supplement.

### **Extremely Disabled Veterans**

A veteran under 65 years of age at the introduction of the proposed structure who is subsequently assessed under GARP as having at least 70 impairment points and a lifestyle rating of at least six would receive the disability pension at 100 per cent of the general rate, the Repatriation Health Card – For All Conditions (Gold Card) and an additional benefits package. This package would consist of a Goods and Services Tax (GST) rebate on motor vehicles and parts, a

means-tested home care allowance of \$150 per fortnight (adjusted annually to upward movement of the CPI) and an annual subsidy if the veteran has dependent children and chooses to take out private health insurance.

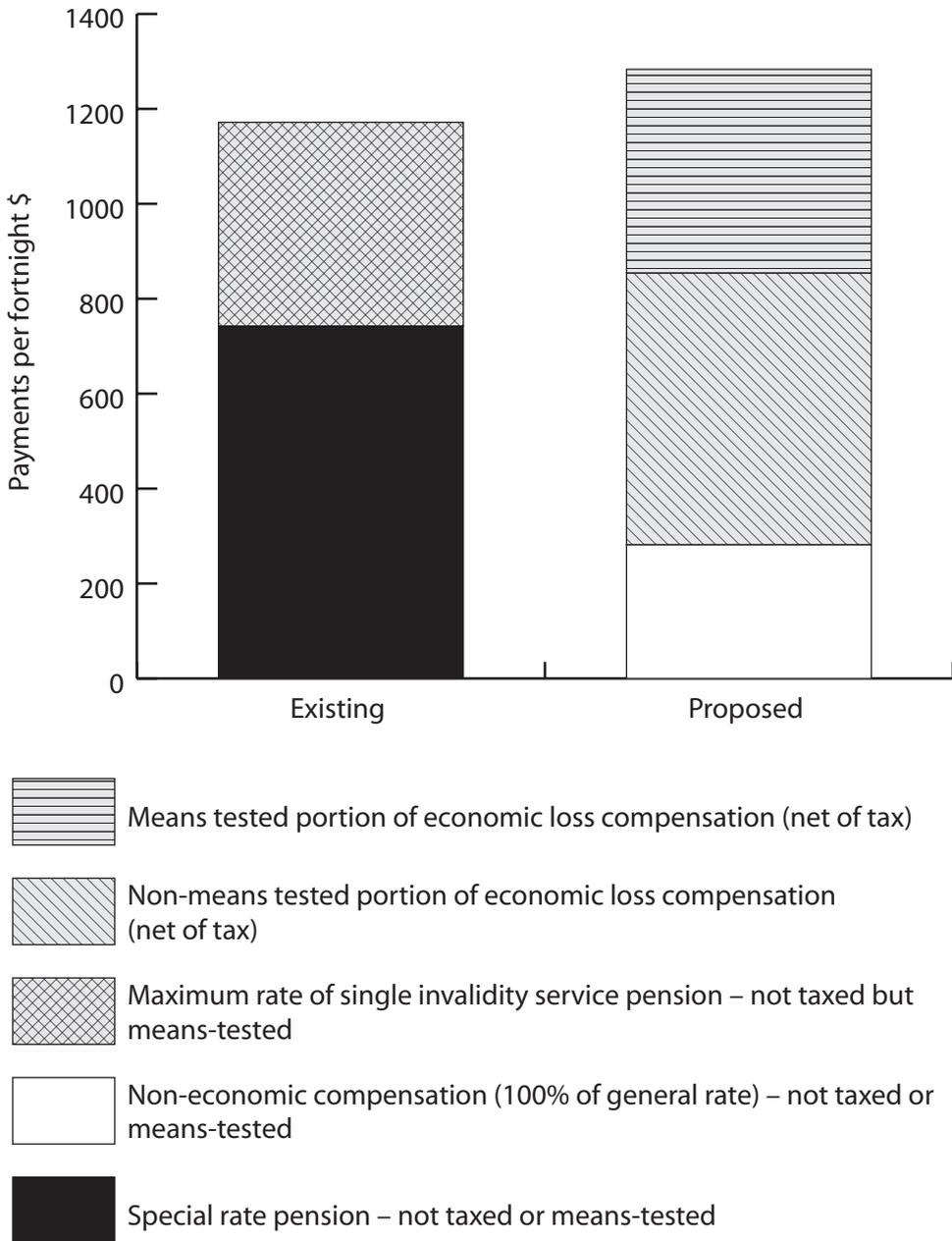
A veteran over 65 years of age at that time would retain eligibility to claim the extreme disablement adjustment (EDA) if the veteran's accepted disabilities cause further impairment.

All existing and future EDA recipients would be eligible to claim a GST rebate on motor vehicles and parts and to receive the new health insurance subsidy if they have dependent children and choose to take out private health insurance.

## **Outcomes**

Financial outcomes of the proposed structure for veterans and their eligible dependants are demonstrated in the tables that follow. These tables reflect only the main elements of the benefits structure. They do not include minor and supplementary benefits, such as pharmaceutical and telephone allowances.

**Figure A16.1 Single Special Rate Veteran with Qualifying Service and under 65 Years of Age**



**Table A16.1 Single Special Rate Veteran with Qualifying Service and under 65 Years of Age**

Element of compensation	Rate per fortnight (\$)	
	Existing	Proposed
<b>Existing scheme</b>		
Special rate pension — not taxed or means tested	742.40	—
Maximum rate of single invalidity service pension — not taxed but means tested	429.40	—
<b>Proposed scheme</b>		
Economic compensation at 75% of MTAW	—	1239.20
Less tax	—	237.40
<b>Subtotal</b>	—	1001.80 <sup>a</sup>
Non-economic compensation (100% of general rate) — not taxed or means tested	—	281.50
<b>Totals</b>	<b>1171.80</b>	<b>1283.30<sup>b,c</sup></b>
Variation of proposed to existing scheme payments		+ 111.50 <sup>b,c</sup>

<sup>a</sup> Includes means-tested element equal to 100 per cent of the maximum rate of the single service pension (currently \$429.40 per fortnight).

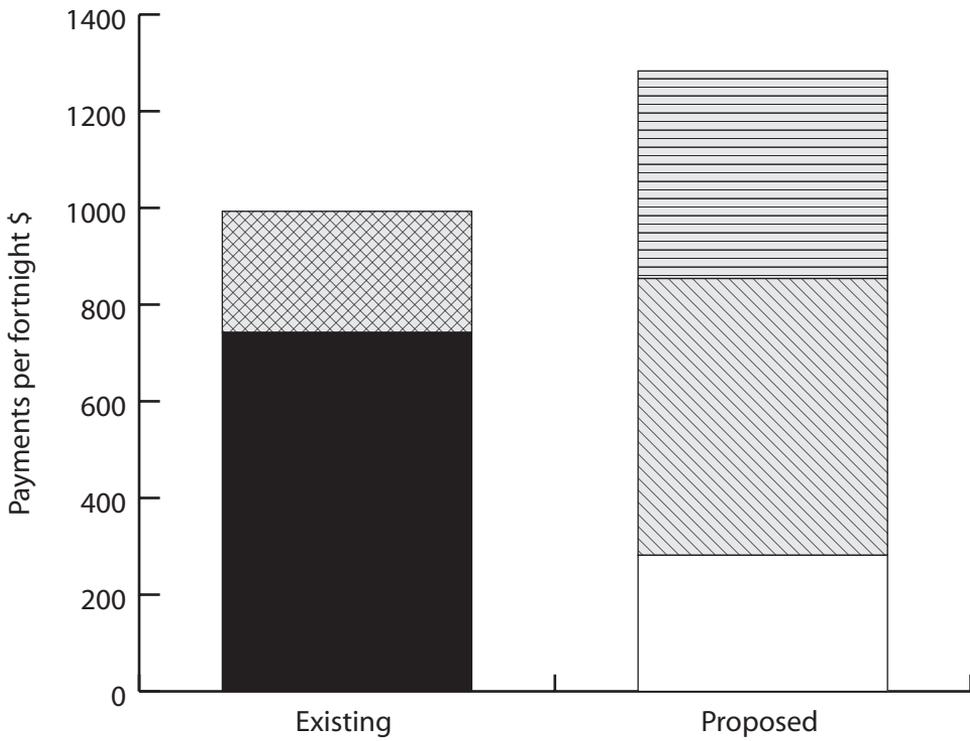
<sup>b</sup> Earnings from working up to the current allowable limits under the VEA are exempt income in any means test.

<sup>c</sup> An amount equal to 20% (\$56.30 per fortnight) of a veteran's non-economic loss compensation is payable for each dependent child under 16 or under 25 if undertaking full-time study.

Additional benefits:

- funeral benefit increased from \$572 to \$1000; and
- an annual subsidy to assist those veterans with dependent children to provide private health care insurance if they so choose — the amount of the allowance to be set at the difference between the family and single rates of a reasonable level of cover.

**Figure A16.2 Single Special Rate Veteran without Qualifying Service and under 65 Years of Age**



-  Means tested portion of economic loss compensation (net of tax)
-  Non-means tested portion of economic loss compensation (net of tax)
-  Disability support pension – not taxed but means-tested (reduced amount shown reflects means testing of special rate pension)
-  Non-economic compensation (100% of general rate) – not taxed or means-tested
-  Special rate pension – not taxed or means-tested

**Table A16.2 Single Special Rate Veteran without Qualifying Service and under 65 Years of Age**

Element of compensation	Rate per fortnight (\$)	
	Existing	Proposed
<b>Existing scheme</b>		
Special rate pension — not taxed or means tested	742.40	-
Disability support pension — not taxed but means tested (reduced amount shown reflects means testing of special rate pension)	250.60	-
<b>Proposed scheme</b>		
Economic compensation at 75% of MTAW	-	1239.20
Less tax	-	237.40
<b>Subtotal<sup>a</sup></b>	<b>-</b>	<b>1001.80<sup>a</sup></b>
Non-economic compensation (100% of general rate) — not taxed or means tested	-	281.50
<b>Totals</b>	<b>993.00</b>	<b>1283.30<sup>b,c</sup></b>
Variation of proposed to existing scheme payments		+ 290.30 <sup>b,c</sup>

<sup>a</sup> Includes means-tested element equal to 100 per cent of the maximum rate of single age service pension (currently \$429.40 per fortnight).

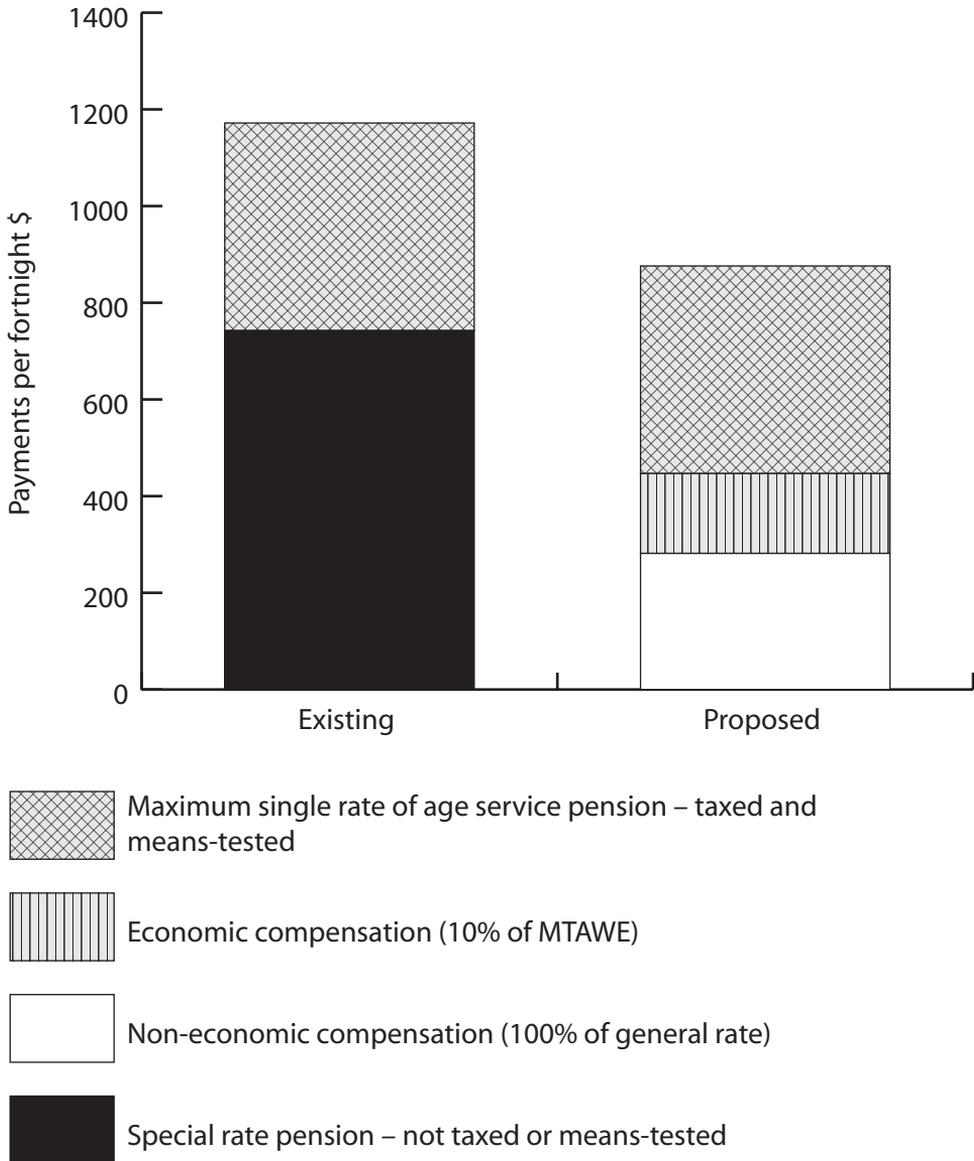
<sup>b</sup> Earnings from working up to the current allowable limits under the VEA are exempt income in any means test.

<sup>c</sup> An amount equal to 20% (\$56.30 per fortnight) of a veteran's non-economic loss compensation is payable for each dependent child under 16 or under 25 if undertaking full-time study.

Additional benefits:

- funeral benefit increased from \$572 to \$1000; and
- an annual subsidy to assist those veterans with dependent children to provide private health care insurance if they so choose — the amount of the allowance to be set at the difference between the family and single rates of a reasonable level of cover.

**Figure A16.3 Single Special Rate Veteran with Qualifying Service and over 65 Years of Age**



**Table A16.3 Single Special Rate Veteran with Qualifying Service and over 65 Years of Age**

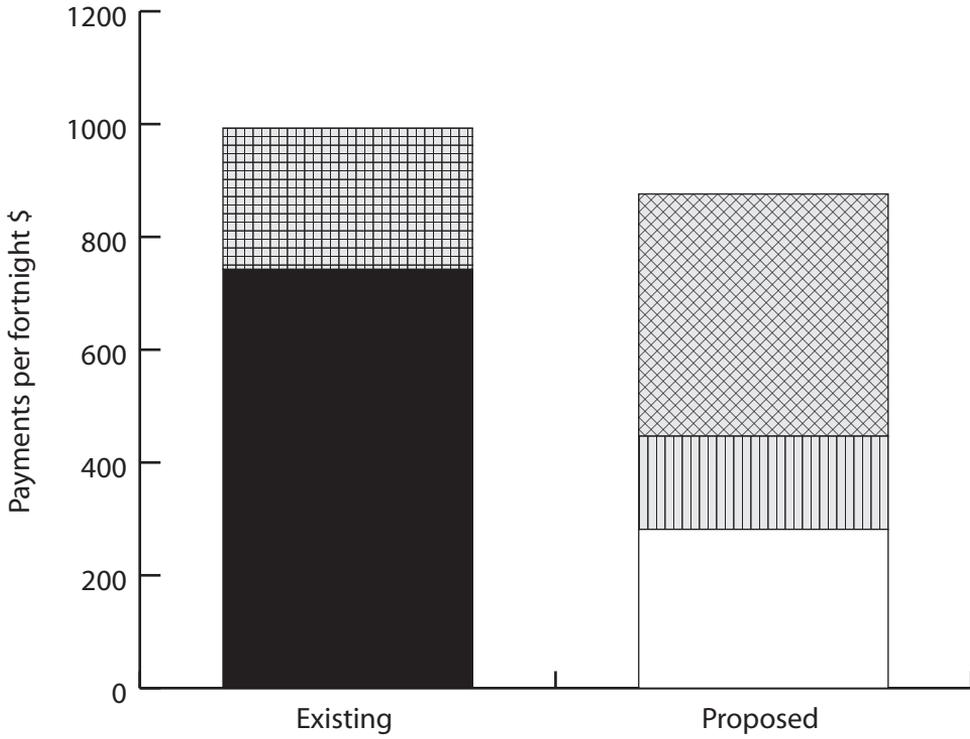
Element of compensation	Rate per fortnight (\$)	
	Existing	Proposed
<b>Existing scheme</b>		
Special rate pension — not taxed or means tested	742.40	—
Maximum single rate of age service pension — taxed and means tested	429.40	—
<b>Proposed scheme</b>		
Economic compensation at 10% of MTAW	—	165.20
Less tax	—	—
Non-economic compensation (100% of general rate)	—	281.50
Maximum single rate of service pension — taxed and means tested	—	429.40
<b>Totals</b>	<b>1171.80</b>	<b>876.10<sup>a</sup></b>
Variation of proposed to existing scheme payments		-295.70 <sup>a</sup>

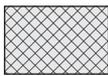
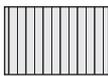
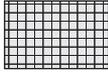
<sup>a</sup> An amount equal to 20% (\$56.30 per fortnight) of veteran's non-economic loss compensation is payable for each dependent child under 16 or under 25 if undertaking full-time study.

Additional benefits:

- funeral benefit increased from \$572 to \$1000; and
- an annual subsidy to assist those veterans who have dependent children to provide private health care insurance if they so choose — the amount of the allowance to be set at the difference between the family and single rates of a reasonable level of cover.

**Figure A16.4 Single Special Rate Veteran without Qualifying Service and over 65 Years of Age**



-  Maximum single rate of age pension – taxed and means-tested
-  Economic compensation (10% of MTAW)
-  Non-economic compensation (100% of general rate)
-  Age pension – taxed and means-tested (reduced amount show reflects means-testing of special rate pension)
-  Special rate pension – not taxed or means-tested

**Table A16.4 Single Special Rate Veteran without Qualifying Service and over 65 Years of Age**

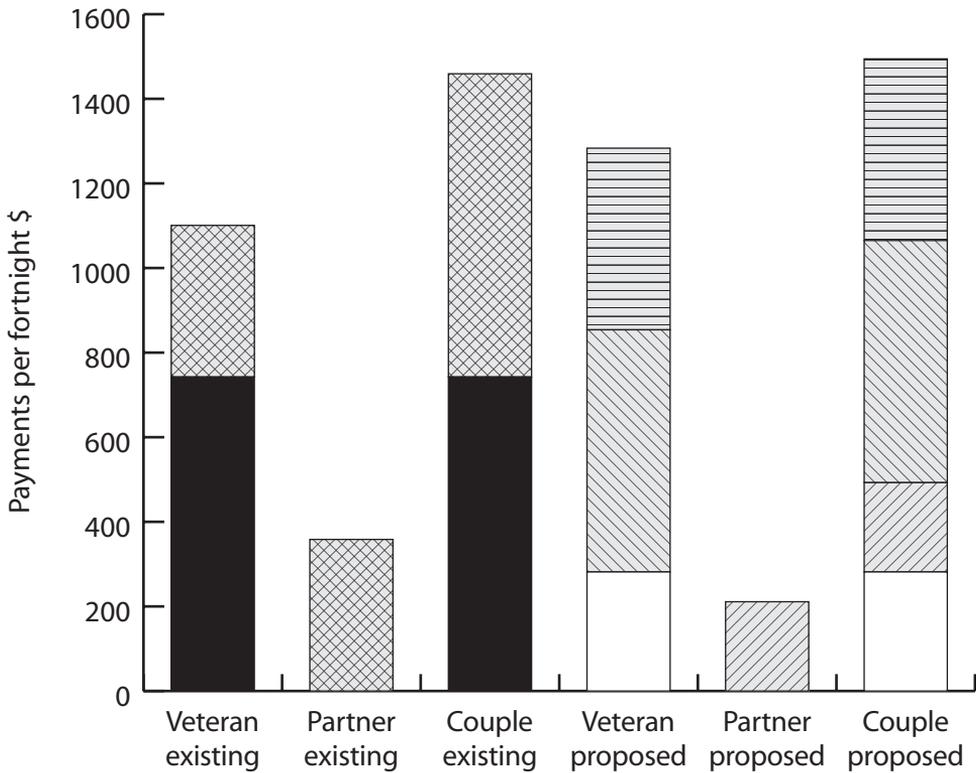
Element of compensation	Rate per fortnight (\$)	
	Existing	Proposed
<b>Existing scheme</b>		
Special rate pension – not taxed or means tested	742.40	–
Age pension – taxed and means tested (reduced amount reflects means testing of special rate pension)	250.60	–
<b>Proposed scheme</b>		
Economic compensation at 10% of MTAWÉ	–	165.20
Less tax	–	–
Non-economic compensation (100% of general rate)	–	281.50
Maximum single rate of age pension — taxed and means tested	–	429.40
<b>Totals</b>	<b>993.00</b>	<b>876.10<sup>a</sup></b>
Variation of proposed to existing scheme payments		–116.90 <sup>a</sup>

<sup>a</sup> An amount equal to 20% (\$56.30 per fortnight) of veteran's non-economic loss compensation for each dependent child under 16 or under 25 if undertaking full-time study.

Additional benefits:

- funeral benefit increased from \$572 to \$1000; and
- an annual subsidy to assist those veterans with dependent children to provide private health care insurance if they so choose — the amount of the allowance to be set at the difference between the family and single rates of a reasonable level of cover.

**Figure 16.5 Partnered Special Rate Veteran with Qualifying Service and under 65 Years of Age**



 Maximum rate of partnered invalidity service pension – not taxed but means-tested

 Means tested portion of economic loss compensation (net of tax)

 Non-means tested portion of economic loss compensation (net of tax)

 Non-economic compensation (75% of general rate) – not taxed or means-tested

 Non-economic compensation (100% of general rate) – not taxed or means-tested

 Special Rate Pension – not taxed or means-tested

**Table A16.5 Partnered Special Rate Veteran with Qualifying Service and under 65 Years of Age**

Element of compensation	Rate per fortnight (\$)			
	Existing		Proposed	
	Veteran	Partner	Veteran	Partner
<b>Existing scheme</b>				
Special rate pension — not taxed or means tested	742.40	—	—	—
Maximum rate of partnered invalidity service pension — not taxed but means tested	358.40	358.40	—	—
<b>Proposed scheme</b>				
Economic compensation at 75% of MTAWÉ	—	—	1239.20	—
Less tax	—	—	237.40	—
<b>Subtotal</b>	—	—	<b>1001.80<sup>a</sup></b>	—
Non-economic compensation (at 100% of general rate) — not taxed or means tested	—	—	281.50	—
Non-economic compensation (at 75% of general rate) — not taxed or means tested	—	—	—	211.10
<b>Individual subtotals</b>	<b>1100.80</b>	<b>358.40</b>	<b>1283.30</b>	<b>211.10<sup>b,c</sup></b>
<b>Combined totals</b>	<b>1459.20</b>		<b>1494.40<sup>b,c,d</sup></b>	
Variation of proposed to existing scheme payments			+35.20 <sup>b,c,d</sup>	

<sup>a</sup> Includes means-tested element equal to 100 per cent of the maximum rate of single age service pension (currently \$429.40 per fortnight). Means tested on combined income and assets, excluding partner's earnings from personal exertion.

<sup>b</sup> Earnings from working up to the current allowable limits under the VEA are exempt income in any means test.

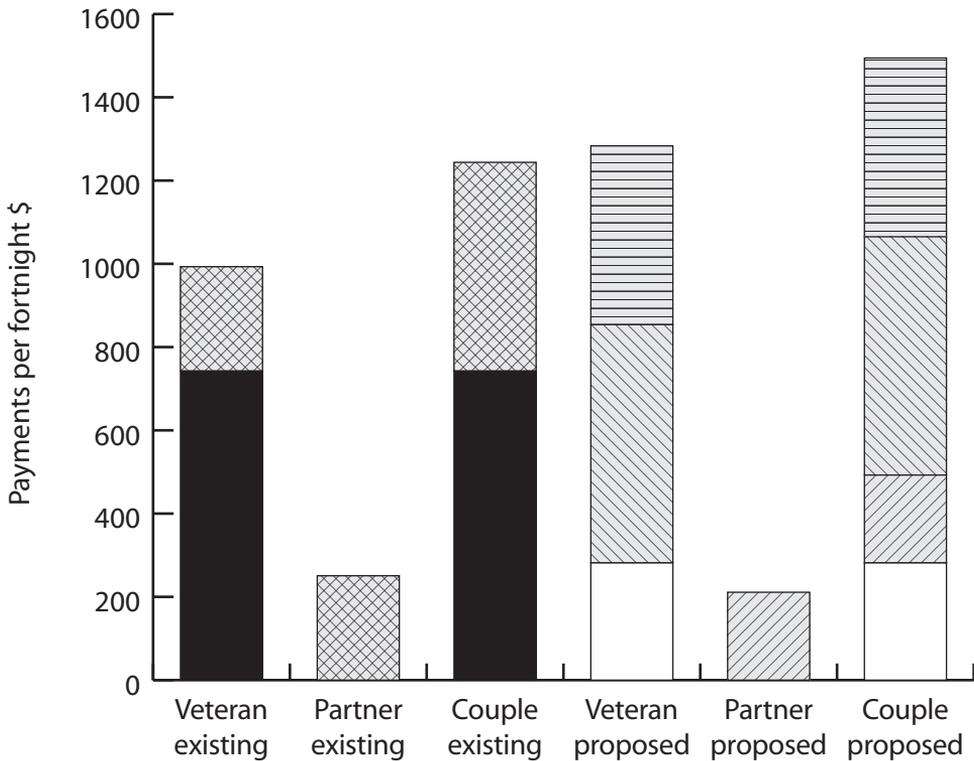
<sup>c</sup> An amount equal to 20% (\$56.30 per fortnight) of a veteran's non-economic loss compensation is payable for each dependent child under 16 or under 25 if undertaking full-time study.

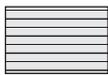
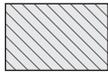
<sup>d</sup> A carer's allowance of \$150 per fortnight is payable to the partner of a veteran who is less than 65 years of age where the partner is required to provide full-time care for a veteran in receipt of economic loss compensation at the special rate.

Additional benefits:

- funeral benefit increased from \$572 to \$1000; and
- an annual subsidy to assist those veterans with dependent children to provide private health care insurance if they so choose — the amount of the allowance to be set at the difference between the family and single rates of a reasonable level of cover.

**Figure A16.6 Partnered Special Rate Veteran without Qualifying Service and under 65 Years of Age**



-  Means tested portion of economic loss compensation (net of tax)
-  Non-means tested portion of economic loss compensation (net of tax)
-  Disability support pension – not taxed but means-tested (reduced amount shown reflects means-testing of special rate pension)
-  Non-economic compensation (75% of general rate) – not taxed or means-tested
-  Non-economic compensation (100% of general rate) – not taxed or means-tested
-  Special rate pension – not taxed or means-tested

**Table A16.6 Partnered Special Rate Veteran without Qualifying Service and under 65 Years of Age**

Element of compensation	Rate per fortnight (\$)			
	Existing		Proposed	
	Veteran	Partner	Veteran	Partner
<b>Existing scheme</b>				
Special rate pension — not taxed or means tested	742.40	—	—	—
Disability support pension — not taxed but means tested (reduced amount reflects means testing of special rate pension)	250.70	250.70 <sup>e</sup>	—	—
<b>Proposed scheme</b>				
Economic compensation at 75% of MTAWÉ	—	—	1239.20	—
Less tax	—	—	237.40	—
<b>Subtotal</b>	-	-	<b>1001.80<sup>a</sup></b>	-
Non-economic compensation (at 100% of general rate) — not taxed or means tested	—	—	281.50	—
Non-economic compensation (at 75% of general rate) — not taxed or means tested	—	—	—	211.10
<b>Individual subtotals</b>	<b>993.10</b>	<b>250.70</b>	<b>1283.30</b>	<b>211.10<sup>c,d</sup></b>
<b>Combined totals</b>	<b>1243.80</b>		<b>1494.40<sup>b,c,d</sup></b>	
Variation of proposed to existing scheme payments			+250.60 <sup>b,c,d</sup>	

<sup>a</sup> Includes means-tested element equal to 100 per cent of the maximum rate of single age service pension (currently \$429.40 per fortnight).

<sup>b</sup> A carer's allowance of \$150 per fortnight is payable to the partner of a veteran who is less than 65 years of age and where the partner is required to provide full-time care for a veteran in receipt of economic compensation at the special rate.

<sup>c</sup> An amount equal to 20% (\$56.30 per fortnight) of a veteran's non-economic loss compensation is payable for each dependent child under 16 or under 25 if undertaking full-time study.

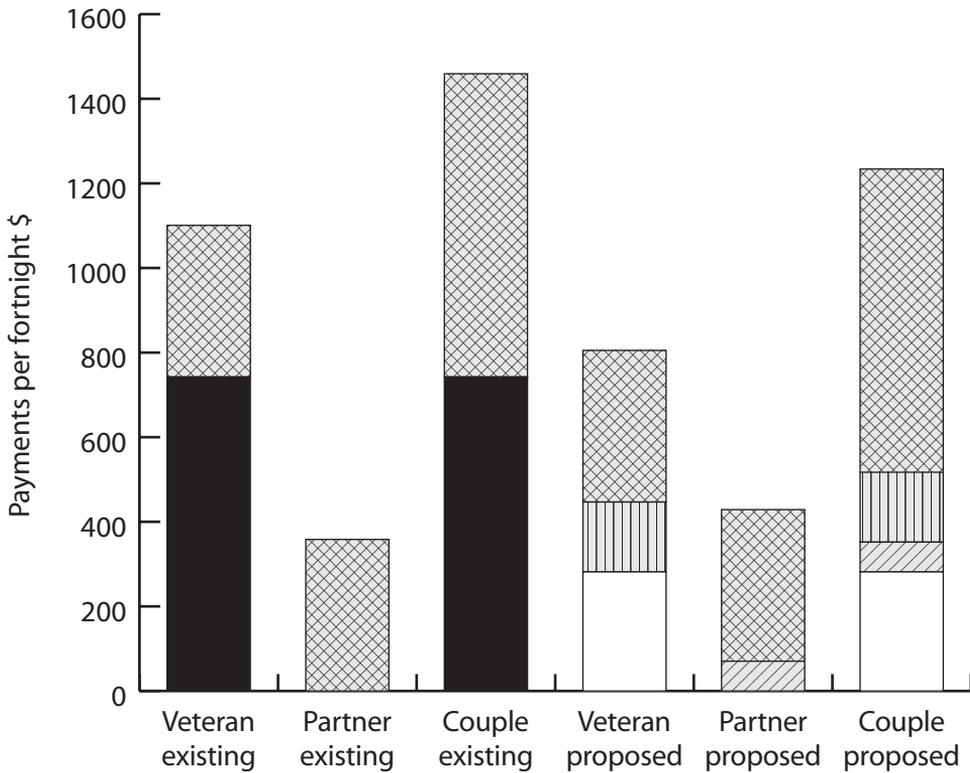
<sup>d</sup> Earnings from working up to the current allowable limits under the VEA are exempt income in any means test.

<sup>e</sup> If partner of pension age.

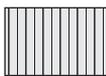
Additional benefits:

- funeral benefit increased from \$572 to \$1000; and
- an annual subsidy to assist those veterans with dependent children to provide private health care insurance if they so choose — the amount of the allowance to be set at the difference between the family and single rates of a reasonable level of cover.

**Figure A16.7 Partnered Special Rate Veteran with Qualifying Service and over 65 Years of Age**



 Maximum rate of partnered age service pension – taxed and means-tested

 Economic compensation (10% of MTAW)

 Non-economic compensation (25% of veteran's payment) – not taxed or means-tested

 Non-economic compensation (100% of general rate) – not taxed or means-tested

 Special rate pension – not taxed or means-tested

**Table A16.7 Partnered Special Rate Veteran with Qualifying Service and over 65 Years of Age**

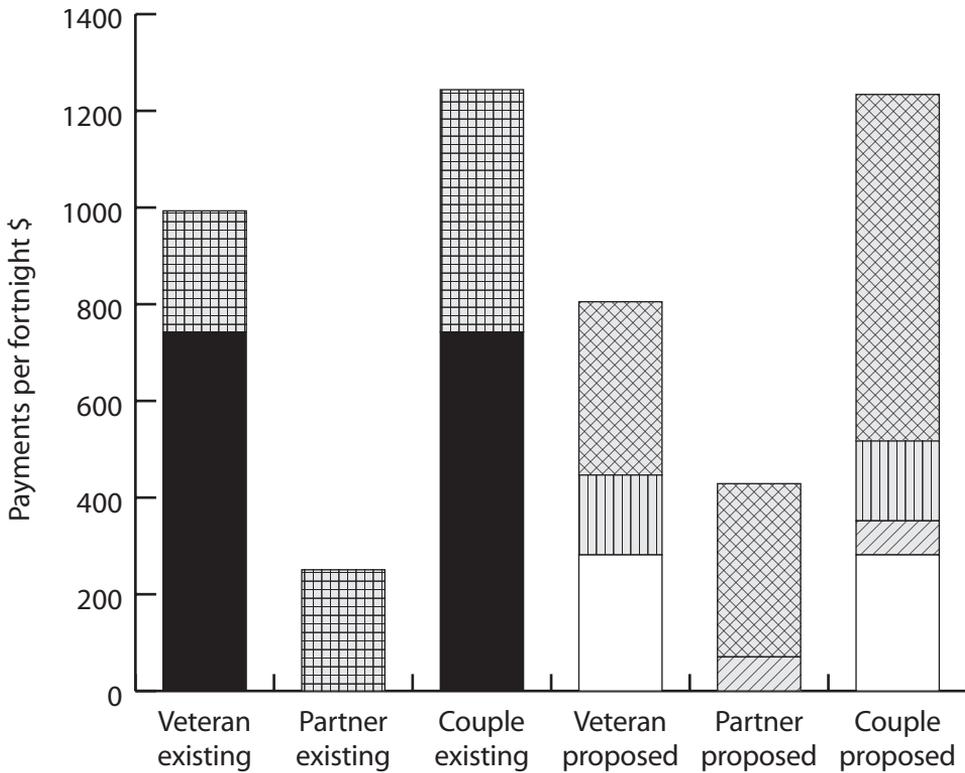
Element of compensation	Rate per fortnight (\$)			
	Existing		Proposed	
	Veteran	Partner	Veteran	Partner
<b>Existing scheme</b>				
Special rate pension — not taxed or means tested	742.40	—	—	—
Maximum rate of partnered age service pension — taxed and means tested	358.40	358.40	—	—
<b>Proposed scheme</b>				
Economic compensation at 10% of MTAW	—	—	165.20	—
Less tax	—	—	—	—
Non-economic compensation (at 100% of general rate) — not taxed or means tested	—	—	281.50	—
Non-economic compensation (at 25% of veteran's payment) — not taxed or means tested	—	—	—	70.40
Maximum rate age service pension — taxed and means tested	—	—	358.40	358.40
<b>Individual subtotals</b>	<b>1100.80</b>	<b>358.40</b>	<b>805.10</b>	<b>428.80<sup>a</sup></b>
<b>Combined totals</b>	<b>1459.20</b>		<b>1233.90<sup>a</sup></b>	
Variation of proposed to existing scheme payments			-225.30 <sup>a</sup>	

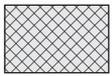
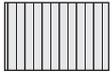
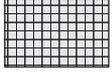
<sup>a</sup> An amount equal to 20% (\$56.30 per fortnight) of a veteran's non-economic loss compensation is payable for each dependent child under 16 or under 25 if undertaking full-time study.

Additional benefits:

- funeral benefit increased from \$572 to \$1000; and
- an annual subsidy to assist those veterans with dependent children to provide private health care insurance if they so choose — the amount of the allowance to be set at the difference between the family and single rates of a reasonable level of cover.

**Figure A16.8 Partnered Special Rate Veteran without Qualifying Service and over 65 Years of Age**



-  Maximum rate age pension – taxed and means-tested
-  Economic compensation (10% of MTAW)
-  Age pension – taxed and means-tested (reduced amount shown reflects means-testing of special rate pension)
-  Non-economic compensation (25% of veteran’s payment) – not taxed or means-tested
-  Non-economic compensation (100% of general rate) – not taxed or means-tested
-  Special rate pension – not taxed or means-tested

**Table A16.8 Partnered Special Rate Veteran without Qualifying Service and over 65 Years of Age**

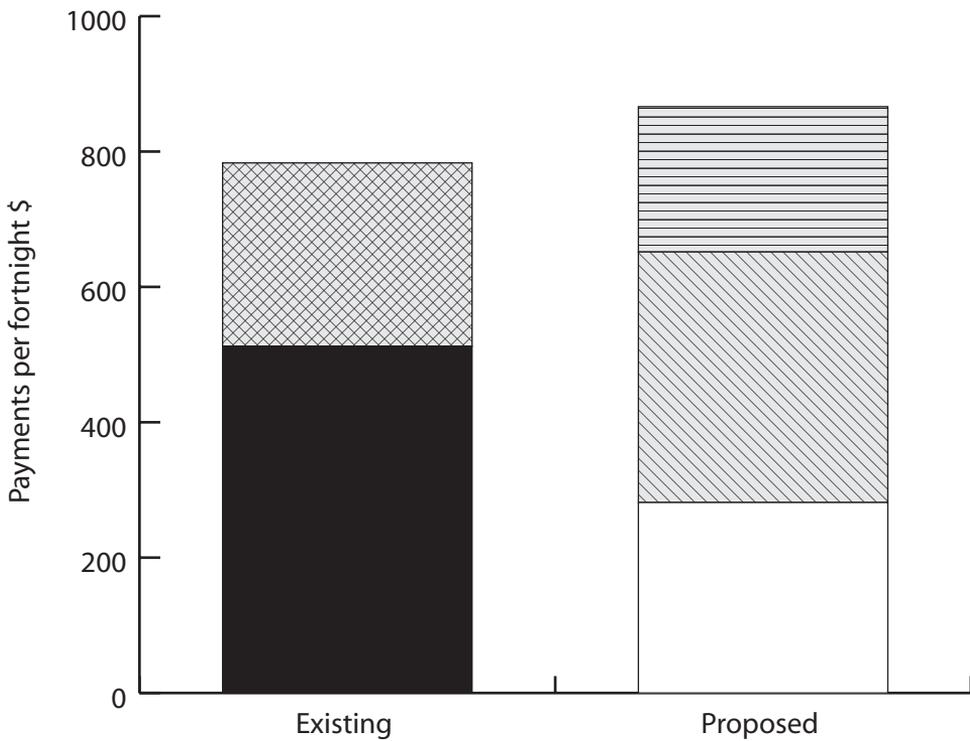
Element of compensation	Rate per fortnight (\$)			
	Existing		Proposed	
	Veteran	Partner	Veteran	Partner
<b>Existing scheme</b>				
Special rate pension — not taxed or means tested	742.40	—	—	—
Age pension — taxed and means tested (reduced amount shown reflects means testing of special rate pension)	250.70	250.70	—	—
<b>Proposed scheme</b>				
Economic compensation at 10% of MTAW	—	—	165.20	—
Less tax	—	—	—	—
Non-economic compensation (at 100% of general rate) — not taxed or means tested	—	—	281.50	—
Non-economic compensation (at 25% of veteran's payment) — not taxed or means tested	—	—	—	70.40
Maximum rate age pension — taxed and means tested	—	—	358.40	358.40
<b>Individual subtotals</b>	<b>993.10</b>	<b>250.70</b>	<b>805.10</b>	<b>428.80<sup>a</sup></b>
<b>Combined totals</b>	<b>1243.80</b>		<b>1233.90<sup>a</sup></b>	
Variation of proposed to existing scheme payments			-9.90 <sup>a</sup>	

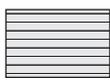
<sup>a</sup> An amount equal to 20% (\$56.30 per fortnight) of a veteran's non-economic loss compensation is payable for each dependent child under 16 or under 25 if undertaking full-time study.

Additional benefits:

- funeral benefit increased from \$572 to \$1000; and
- an annual subsidy to assist those veterans with dependent children to provide private health care insurance if they so choose — the amount of the allowance to be set at the difference between the family and single rates of a reasonable level of cover.

**Figure A16.9 Single Intermediate Rate Veteran with or without Qualifying Service and under 60 Years of Age**



-  Means tested portion of economic loss compensation (net of tax)
-  Non-means tested portion of economic loss compensation (net of tax)
-  Disability support pension – not taxed but means-tested (reduced amount shown reflects means-testing of intermediate rate pension)
-  Non-economic compensation (100% of general rate) – not taxed or means-tested
-  Intermediate rate pension – not taxed or means-tested

**Table A16.9 Single Intermediate Rate Veteran with or without Qualifying Service and under 60 Years of Age**

Element of compensation	Rate per fortnight (\$)	
	Existing	Proposed
<b>Existing scheme</b>		
Intermediate rate pension — not taxed or means tested	512.40	—
Disability support pension — not taxed but means tested (reduced amount shown reflects means testing of intermediate rate pension)	270.80 <sup>d</sup>	—
<b>Proposed scheme</b>		
Economic compensation at 37.5% of MTAWÉ	—	660.90
Less tax	—	76.10
<b>Subtotal</b>	—	<b>584.80<sup>a</sup></b>
Non-economic compensation (100% of general rate) — not taxed or means tested	—	281.50
<b>Totals</b>	<b>783.20</b>	<b>866.30<sup>b,c</sup></b>
Variation of proposed to existing scheme payments		+83.10 <sup>b,c</sup>

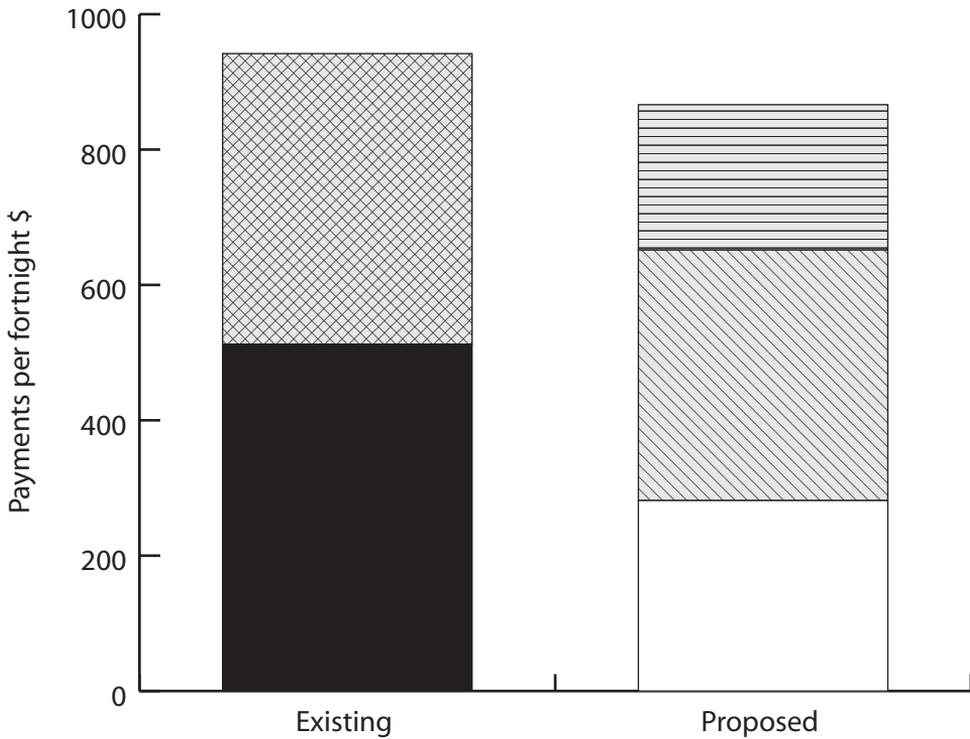
<sup>a</sup> Includes means-tested element equal to 50 per cent of the maximum rate of the single age service pension (currently equal to \$214.70 per fortnight).

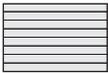
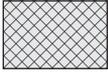
<sup>b</sup> Earnings from working up to the current allowable limits under the VEA are exempt income in any means test.

<sup>c</sup> An amount equal to 10% (\$28.15 per fortnight) of a veteran's non-economic loss compensation is payable for each dependent child under 16 or under 25 if undertaking full-time study.

<sup>d</sup> Subject to meeting social security eligibility provisions.

**Figure A16.10 Single Intermediate Rate Veteran with Qualifying Service and over 60 but under 65 Years of Age**



-  Means tested portion of economic loss compensation (net of tax)
-  Non-means tested portion of economic loss compensation (net of tax)
-  Maximum rate single age service pension – not taxed but means tested
-  Non-economic compensation (100% of general rate) – not taxed or means-tested
-  Intermediate rate pension – not taxed or means-tested

**Table A16.10 Single Intermediate Rate Veteran with Qualifying Service and over 60 but under 65 Years of Age**

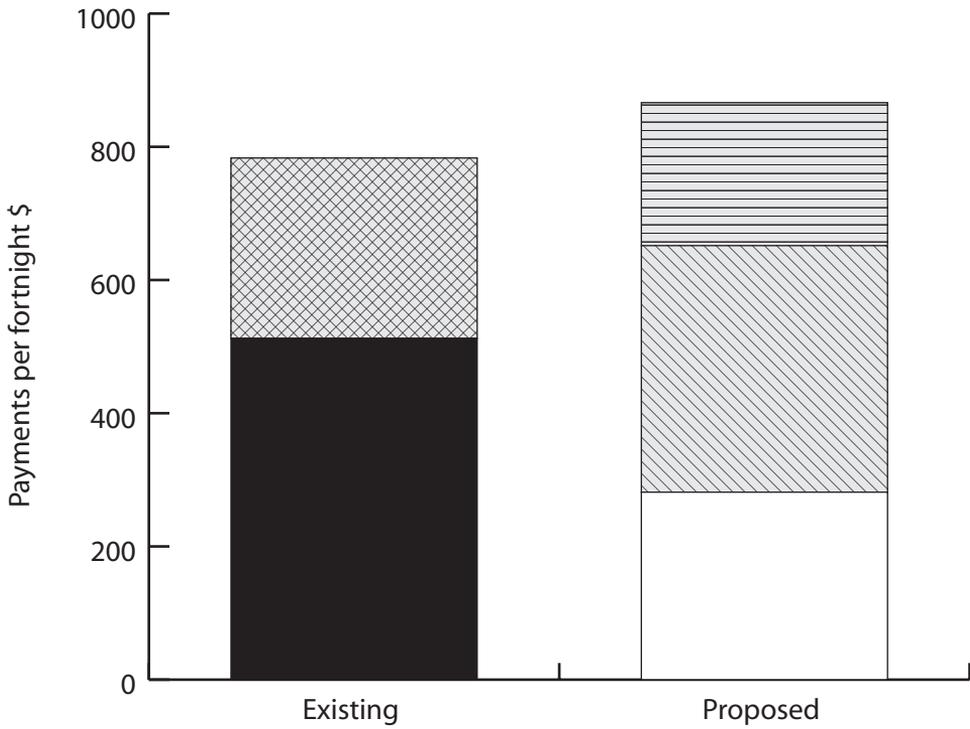
Element of compensation	Rate per fortnight (\$)	
	Existing	Proposed
<b>Existing scheme</b>		
Intermediate rate pension — not taxed or means tested	512.40	—
Maximum rate single age service pension — taxed and means tested	429.40	—
<b>Proposed scheme</b>		
Economic compensation at 37.5% of MTAWÉ	—	660.90
Less tax	—	76.10
<b>Subtotals</b>	<b>941.80</b>	<b>584.80<sup>a</sup></b>
Non-economic compensation (100% of general rate) — not taxed or means tested	—	281.50
<b>Totals</b>	<b>941.80</b>	<b>866.30<sup>b,c</sup></b>
Variation of proposed to existing scheme payments		–75.50 <sup>b,c</sup>

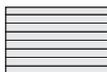
<sup>a</sup> Includes means-tested element equal to 50 per cent of the maximum rate of single age service pension (currently equal to \$214.70 per fortnight).

<sup>b</sup> Earnings from working up to the current allowable limits under the VEA are exempt income in any means test.

<sup>c</sup> An amount equal to 10% (\$28.15 per fortnight) of a veteran's non-economic loss compensation is payable for each dependent child under 16 or under 25 if undertaking full-time study.

**Figure A16.11 Single Intermediate Rate Veteran without Qualifying Service and over 60 but under 65 Years of Age**



-  Means tested portion of economic loss compensation (net of tax)
-  Non-means tested portion of economic loss compensation (net of tax)
-  Disability support pension – not taxed but means-tested (reduced amount shown reflects means-testing of intermediate rate pension)
-  Non-economic compensation (100% of general rate) – not taxed or means-tested
-  Intermediate rate pension – not taxed or means-tested

**Table A16.11 Single Intermediate Rate Veteran without Qualifying Service and over 60 but under 65 Years of Age**

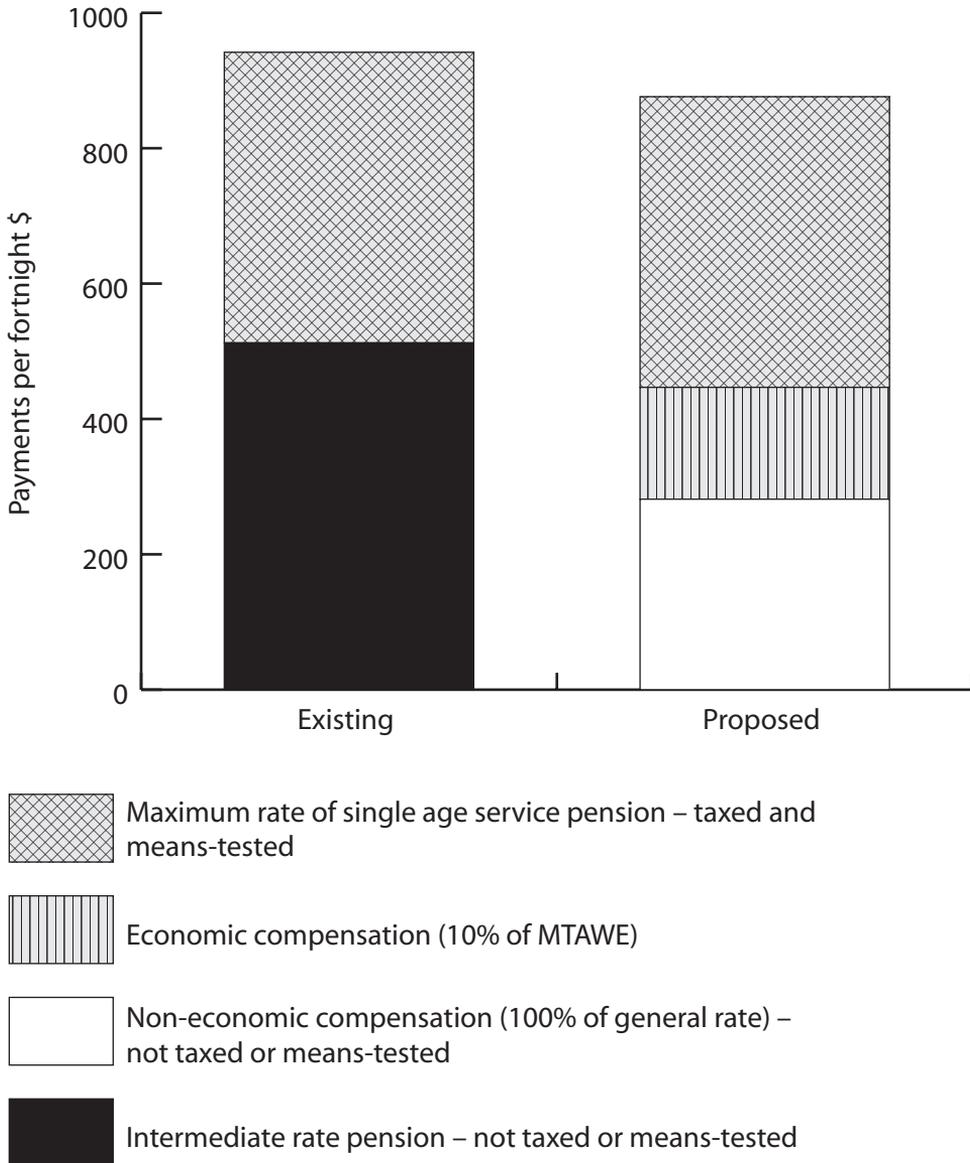
Element of compensation	Rate per fortnight (\$)	
	Existing	Proposed
<b>Existing scheme</b>		
Intermediate rate pension — not taxed or means tested	512.40	—
Disability support pension — not taxed but means tested (reduced amount shown reflects means testing of intermediate rate pension)	270.80	
<b>Proposed scheme</b>		
Economic compensation at 37.5% of MTAWÉ	—	660.90
Less tax	—	76.10
<b>Subtotals</b>	—	<b>584.80<sup>a</sup></b>
Non-economic compensation (100% of general rate) — not taxed or means tested	—	281.50
<b>Totals</b>	<b>783.20</b>	<b>866.30<sup>b,c</sup></b>
Variation of proposed to existing scheme payments		+83.10 <sup>b,c</sup>

<sup>a</sup> Includes means-tested element equal to 50 per cent of the maximum rate of the single age service pension (currently equal to \$214.70 per fortnight).

<sup>b</sup> Earnings from working up to the current allowable limits under the VEA are exempt income in any means test.

<sup>c</sup> An amount equal to 10% (\$28.15 per fortnight) of veteran's non-economic loss compensation is payable for each dependent child under 16 or under 25 if undertaking full-time study.

**Figure A16.12 Single Intermediate Rate Veteran with Qualifying Service and over 65 Years of Age**

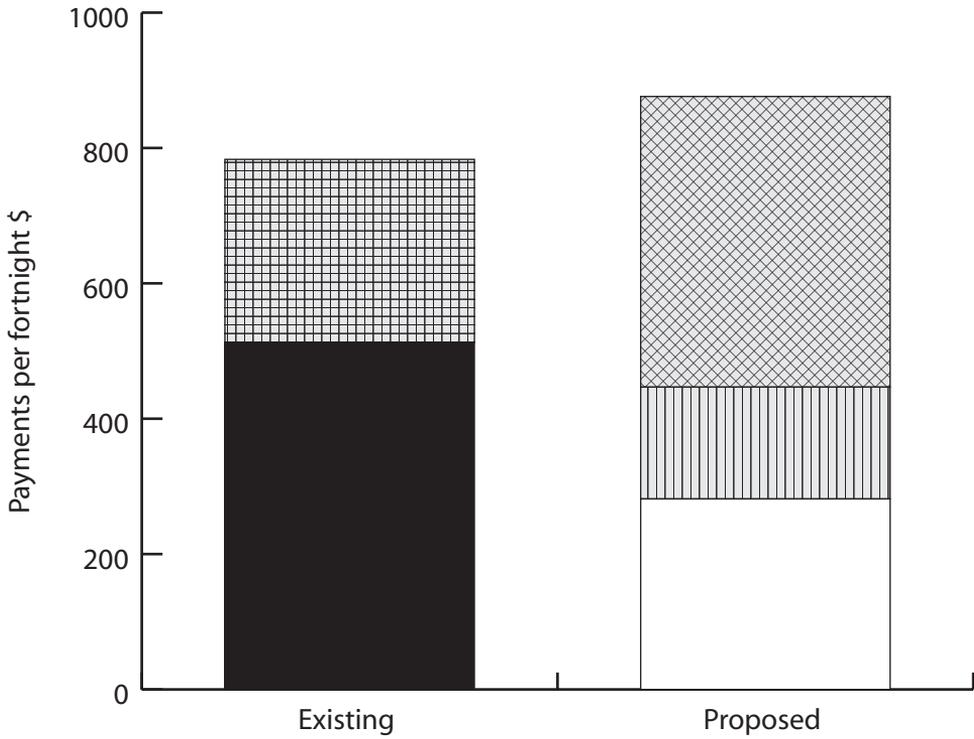


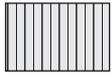
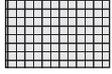
**Table A16.12 Single Intermediate Rate Veteran with Qualifying Service and over 65 Years of Age**

Element of compensation	Rate per fortnight (\$)	
	Existing	Proposed
<b>Existing scheme</b>		
Intermediate rate pension — not taxed or means tested	512.40	—
Maximum rate single age service pension — taxed and means tested	429.40	—
<b>Proposed scheme</b>		
Economic compensation at 10% of MTAW	—	165.20
Less tax	—	—
<b>Subtotals</b>	—	<b>165.20</b>
Non-economic compensation (100% of general rate) — not taxed or means tested	—	281.50
Maximum single rate of age service pension — taxed and means tested	—	429.40
<b>Totals</b>	<b>941.80</b>	<b>876.10<sup>a</sup></b>
Variation of proposed to existing scheme payments		–65.70 <sup>a</sup>

<sup>a</sup> An amount equal to 10% (\$28.15 per fortnight) of a veteran's non-economic loss compensation is payable for each dependent child under 16 or under 25 if undertaking full-time study.

**Figure A16.13 Single Intermediate Rate Veteran without Qualifying Service and over 65 Years of Age**



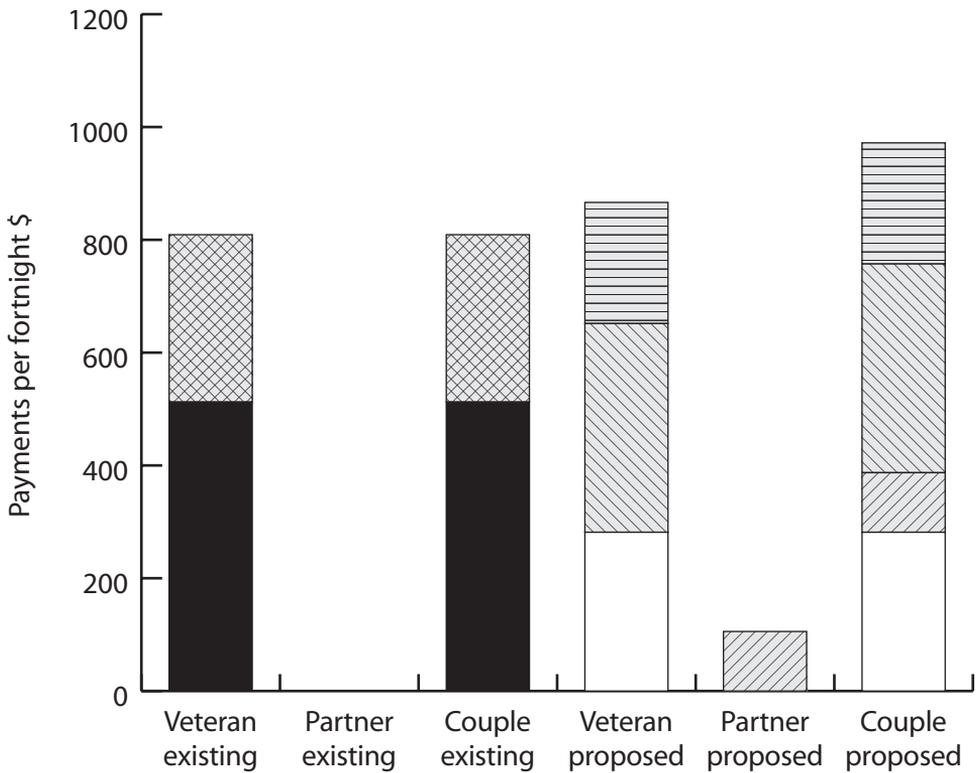
-  Maximum single rate of age pension – taxed and means-tested
-  Economic compensation (10% of MTAW)
-  Age pension – taxed and means-tested (reduced amount shown reflects means-testing of intermediate rate pension)
-  Non-economic compensation (100% of general rate) – not taxed or means-tested
-  Intermediate rate pension – not taxed or means-tested

**Table A16.13 Single Intermediate Rate Veteran without Qualifying Service and over 65 Years of Age**

Element of compensation	Rate per fortnight (\$)	
	Existing	Proposed
<b>Existing scheme</b>		
Intermediate rate pension — not taxed or means tested	512.40	—
Age pension — taxed and means tested (reduced amount shown reflects means testing of intermediate rate pension)	270.80	—
<b>Proposed scheme</b>		
Economic compensation at 10% of MTAWE	—	165.20
Less tax	—	—
<b>Subtotals</b>	—	<b>165.20</b>
Non-economic compensation (100% of general rate) — not taxed or means tested	—	281.50
Maximum single rate of age pension — taxed and means tested	—	429.40
<b>Totals</b>	<b>783.20</b>	<b>876.10<sup>a</sup></b>
Variation of proposed to existing scheme payments		+92.90 <sup>a</sup>

<sup>a</sup> An amount equal to 10% (\$28.15 per fortnight) of a veteran's non-economic loss compensation is payable for each dependent child under 16 or under 25 if undertaking full-time study.

**Figure A16.14 Partnered Intermediate Rate Veteran with or without Qualifying Service and under 60 Years of Age**



-  Means tested portion of economic loss compensation (net of tax)
-  Non-means tested portion of economic loss compensation (net of tax)
-  Disability support pension – not taxed but means-tested (reduced amount shown reflects means testing of intermediate rate pension)
-  Non-economic compensation (37.5% of veteran's rate) – not taxed or means-tested
-  Non-economic compensation (100% of general rate) – not taxed or means-tested
-  Intermediate rate pension – not taxed or means-tested

**Table A16.14 Partnered Intermediate Rate Veteran with or without Qualifying Service and under 60 Years of Age**

Element of compensation	Rate per fortnight (\$)			
	Existing		Proposed	
	Veteran	Partner	Veteran	Partner
<b>Existing scheme</b>				
Intermediate rate pension — not taxed or means tested	512.40	—	—	—
Disability support pension — not taxed but means tested (reduced amount shown reflects means testing intermediate rate pension)	296.70	—	—	—
<b>Proposed scheme</b>				
Economic compensation at 37.5% of MTAW	—	—	660.90	—
Less tax	—	—	76.10	—
<b>Subtotals</b>	—	—	<b>584.80<sup>a</sup></b>	—
Non-economic compensation (100% of general rate) — not taxed or means tested	—	—	281.50	—
Non-economic compensation (at 37.5% of the veteran's rate) — not taxed or means tested	—	—	—	105.60
<b>Totals</b>	<b>809.10</b>	—	<b>866.30</b>	<b>105.60<sup>c</sup></b>
<b>Combined totals</b>	<b>809.10</b>		<b>971.90<sup>b,c</sup></b>	
Variation of proposed to existing scheme payments			+162.80 <sup>b,c</sup>	

<sup>a</sup> Includes means-tested element equal to 50 per cent of the maximum rate of single age service pension (currently equal to \$214.70 per fortnight). Means tested on combined income and assets, excluding partner's earnings from personal exertion.

<sup>b</sup> Earnings from working, up to the current allowable limits under the VEA, are exempt income in any means test.

<sup>c</sup> An amount equal to 10% (\$28.15 per fortnight) of a veteran's non-economic loss compensation is payable for each dependent child under 16 or under 25 if undertaking full-time study.