



Veterans' Entitlements Act 1986 (VEA)
Military Rehabilitation and Compensation Act 2004 (MRCA)

Education Schemes

Overview

This Factsheet provides information about the Veterans' Children Education Scheme (VCES) and the Military Rehabilitation and Compensation Act Education and Training Scheme (MRCAETS). The VCES and the MRCAETS provide financial assistance, student support services, guidance and counselling for eligible children to help them achieve their full potential in education or career training.

What are the Education Schemes?

The VCES is established under the *Veterans' Entitlements Act 1986 (VEA)*. The MRCAETS is established under the *Military Rehabilitation and Compensation Act 2004*, and modelled on the VCES. Eligibility under the different pieces of legislation is slightly different and is set out below.

Both schemes cater for eligible children undertaking primary, secondary or tertiary study and are normally only provided for full-time study within Australia. Students can only receive benefits under one scheme. DVA makes determinations and payments in relation to the Education Schemes.

Who is eligible under the VCES?

An *eligible child* under the VCES is someone who is:

- under 16; *or*
 - between 16 and 25, undertaking full-time education;
- and*
- the child of a veteran or a present or past member of the Australian Defence Force who is receiving (or was receiving prior to their death) a disability pension:
 - at the special rate (formally known as T&PI);
 - at the extreme disablement adjustment (EDA) rate;
 - at an increased rate because of multiple amputations, or multiple amputations and blindness; *or*
 - the child of a veteran or a present or past member of the Australian Defence Force whose death was war-caused; *or*
 - the child of a veteran who was an Australian prisoner of war and is now deceased.

Also eligible are students whose veteran parent had operational service but whose death was not war-caused and who have also lost their other parent. This loss may be through death or where the surviving parent is not maintaining them.

Education Schemes, *continued*

A student who is the child of a Vietnam veteran (or who is or has been dependant on a Vietnam veteran) but who does not qualify under any of the above criteria may be eligible in certain circumstances. The student will need to be assessed by an appropriately qualified professional as being at risk or vulnerable and will need to be approved as 'an eligible child' by the decision maker.

Students must be under 25 years of age at the time of application. However, an eligible child who turns 25 years of age may retain eligibility for benefits where:

- approval was given for the student to undertake a course of study before he or she turned 25; *and*
- the student turns 25 before completing their course, *and*
- the student continues the course after turning 25.

Who is eligible under the MRCAETS?

An *eligible child* under the MRCAETS is someone who is:

- under 16 years old; *or*
- between the ages of 16 and 25, undertaking full-time education and who is not ordinarily engaged in full-time work on his or her own account;

and

- a dependant of an eligible Australian Defence Force (ADF) deceased member, member or former member.

A *dependant* is someone who is:

- a child, step child, grandchild, brother, sister, half-brother or half-sister of a deceased member, member or former member; *or*
- a child or step child of the member's partner; *or*
- a person in respect of whom the member stands in the position of a parent;

and

- wholly dependent or partly dependent on the deceased member, member or former member for economic support, (or would have been wholly or partly dependent but for the incapacity of the member as a result of an injury or disease for which liability has been accepted under the MRCA).

A child who is living with the member or former member (or was living with the deceased member, member or former member immediately before the member's death) is regarded as being wholly dependent without having to establish a degree of dependency for economic support.

A child is also recognised as being wholly dependent if he or she is temporarily living apart from the member or former member, or is living apart due to illness of either or both of them. This also applies if the child was living apart from the member or former member due to illness immediately before the member's death.

Education Schemes, *continued*

An *eligible ADF deceased member, member or former member* means:

- a member or former member who is eligible for the Special Rate Disability Pension safety net payment (SRDP) or maximum permanent impairment compensation under the MRCA;
- a deceased member or former member of the ADF who was eligible for the SRDP during some period of his or her life or was eligible for maximum permanent impairment compensation under the MRCA;
- a deceased member or former member of the ADF whose death has been accepted under the MRCA as having been related to service on or after 1 July 2004.

Students must be under 25 years of age at the time an application for assistance under the MRCAETS is lodged. However, an eligible child who turns 25 years of age may continue to be eligible for MRCAETS benefits if:

- approval was given for the student to undertake a course of study before he or she turned 25; *and*
- the student turns 25 before completing the course, *and*
- the student continues the course after turning 25.

What is regarded as full-time education?

A primary or secondary student is regarded as being in full-time education if they are undertaking a set of work that is accepted as full-time by the school. A tertiary student is regarded as being in full-time education if they are undertaking a tertiary course which attracts a fee and is equivalent to at least three-quarters of the study load for a course that the institution regards as being fulltime.

What about part-time study?

Assistance under the Education Schemes to students studying part-time may only be provided where conditions beyond the student's control prevent them from studying full time. Situations in which part time students may receive benefits are:

- the decision maker is satisfied that the amount of study that the student must complete in order to finish a course constitutes less than one year of full time study; *or*
- due to geographical isolation, the student is unable to take advantage of full time study facilities; *or*
- the student needs to study part-time temporarily for health, economic or academic reasons but has shown ability to undertake full time studies.

Education Schemes, *continued*

What education assistance is available?

The Education Schemes provide:

- education allowances - primary allowance, secondary and tertiary allowances including Living at Home allowance, Living Away from Home allowance and Homeless allowance;
- special financial assistance;
- fares allowance;
- rent assistance;
- additional tuition;
- guidance and counselling.

VCES and MRCAETS students undertaking an approved higher education course may also be eligible to receive a Student Start-up Scholarship and Relocation Scholarship. For more information about these Scholarships see *Factsheet MRC 45 Student Start-up Scholarship and Relocation Scholarship*.

What education allowances are available?

- **Primary education allowance** - this is an annual payment to the person entitled to be paid Family Tax Benefit (FTB) on the student's behalf (normally a parent or guardian). If there is no such person, the decision maker will appoint a person to receive the payment on the student's behalf.
- **Secondary and tertiary living at home allowances** - these allowances are paid fortnightly. For secondary school students living at home who are under 16, payment is made to the person entitled to be paid FTB on the student's behalf (normally a parent or guardian). If there is no relevant person, the decision maker will appoint a person to receive the payments on the student's behalf. For secondary school students living at home who are aged 16 or more, the parent/guardian can elect to have the payment made directly to the student. Payments are made directly to tertiary students.
- **Living away from home allowance for secondary students** - this allowance may be paid a term in advance or each fortnight for a student undertaking full time secondary education if the decision maker is satisfied that:
 - additional expenses are incurred as a result of the student living away from home; *and*
 - educational facilities are not readily accessible from the student's place of residence; *or*
 - the student is enrolled in a special course approved for the payment of allowances under the Australian Government Assistance to Isolated Children Scheme; *or*
 - the student is physically or intellectually handicapped; *or*
 - the student requires specialised remedial tuition; *or*
 - the student's parents move their principal home frequently; *or*
 - the academic needs of that student are not met by local secondary facilities; *or*
 - home conditions are detrimental to the student's educational progress.Payment is made to the person entitled to be paid FTB on behalf of the student (normally a parent or guardian), the organisation or person providing board to the student or a person appointed by the decision maker.

Education Schemes, *continued*

- **Living away from home allowance for tertiary students** - this allowance may be paid direct to a student undertaking an approved full-time tertiary or technical and further education course, where the decision maker is satisfied that:
 - additional expenses are incurred as a result of the student living away from home; *and*
 - educational facilities are not readily accessible from the student's place of residence; *or*
 - it is a compulsory requirement for the student undertaking an approved course to live at a hall of residence; *or*
 - home conditions provide an inadequate study environment.
- **Homeless student education allowance** - a student may be granted homeless student status where the decision maker is satisfied that:
 - the student has reached the minimum school leaving age that applies in the state in which the student lives; *and*
 - the student is not receiving or likely to receive continuous support either directly or indirectly, in cash or in kind, from parents or any other person, *and*
 - there is no family home; *or*
 - the student's parents will not allow the student to reside in the family home; *or*
 - it would be unreasonable to expect the student to live with the parents because of domestic violence or other comparable circumstances.

Where a student is applying for the homeless rate of education allowance, a written statement from a third person must be provided giving additional details concerning the application. A statement is usually requested from a counsellor, family doctor or similar person. If this is not possible, an appropriately qualified Veterans' Children Education/MRCAET board member may make an assessment of the case (see below for further information about the boards).

The allowance is paid to the student, or to an appropriate person if the decision maker considers it unlikely that the student would be capable of managing his or her own finances.

Where necessary, special financial assistance can be accessed to pay for a private social worker. The social worker can provide a report on the student, including a recommendation on whether the student is able to handle the money for the education allowance.

What is the rate of the education allowance?

The rate varies according to individual circumstances. Education allowances are indexed annually in January. For the current rates, please refer to these Factsheets:

- **VCES rates** – *Factsheet DP 43 Disability Pension and War Widow's/Widower's Pension Rates and Allowances*; and
- **MRCAETS rates** – *Factsheet MRC 04 Compensation Payment Rates (MRCA)*.

Education Schemes, *continued*

Is education allowance means tested?

No. Education allowance is not means tested.

Is education allowance taxed?

Yes. Education allowance is generally taxable for students 16 years of age and over. However education allowance is not taxable when paid to a student of any age up to 25 years who is an eligible child of a deceased member or former member of the ADF whose death has been accepted under the MRCA as having been related to ADF service. You should contact the Australian Taxation Office by phone on 13 28 61 or visit their website www.ato.gov.au for further information about taxation issues.

Does education allowance affect eligibility for Family Tax Benefit (FTB)?

Yes. Family Tax Benefit (FTB) can be payable up to age 16. However, it is not payable for a person who has attained the age of 16 and is receiving payments under the Education Schemes or similar education assistance payments.

For more information on FTB, please contact the Family Assistance Office by telephone on 136 150 or by visiting the Family Assistance website at www.familyassist.gov.au

What is special financial assistance?

Special financial assistance is short-term relief assistance that can be provided to a student where exceptional circumstances beyond the student's control are hindering their progress.

What is fares allowance?

Fares allowance is paid to eligible tertiary students to reimburse travel costs associated with their study if they need to live away from home and their permanent home is in Australia. The allowance reimburses the cost of travel from the student's permanent home to the educational institution at the beginning of the academic year, and return travel at the completion of study for the year.

One return journey during the year is available for some students. The cost of the cheapest practical mode of travel is reimbursed. Fares allowance paid under the Education Schemes follows the rules that apply to fares allowance paid to certain recipients of Youth Allowance.

Education Schemes, *continued*

What is rent assistance?

Rent assistance is a payment to help meet the cost of rent. It can be paid to a student receiving the homeless student education allowance or a student aged 16 or over who is receiving education allowance at a living away from home rate.

Rent assistance paid under the Education Schemes is not means tested but otherwise follows the rules applying to rent assistance paid under the *Social Security Act 1991*. This means the amount, if any, of rent assistance payable is determined according to how much rent is paid (up to a maximum limit).

If a student is paying for board and lodging, only the amount paid for lodging or accommodation is counted as rent for rent assistance purposes (as distinct from the amount paid for meals). If the student is unable to identify an amount for lodging, two-thirds of the total amount paid for board and lodging will be considered as the rent component.

The maximum rate of rent assistance for single people who are sharing a house, unit or flat is two-thirds of the maximum rate for singles living independently.

What is additional tuition?

Where an education authority has established that a discrepancy exists between the student's intellectual potential and the student's actual academic achievement, the decision maker may arrange for the provision of additional tuition for the student. Assistance may only be provided where the need for additional tuition is certified by a qualified and responsible person at the institution where the student is studying. Reviews are conducted to determine the continuing need for tuition.

What guidance and counselling is available?

Guidance and counselling may be arranged for students in relation to matters affecting the student's continuing progress in a course of study.

Guidance and counselling can be arranged at the request of the student or at the discretion of the decision maker. In the case of a student under 18, the request can also be made by:

- the student's parent, guardian or trustee; *or*
- the principal of the school, college or institution at which the student is enrolled.

Education Schemes, *continued*

What are the Veterans' Children Education Board (VCEB) and the Military Rehabilitation and Compensation Act Education & Training Board (MRCETB)?

In each State there is a VCEB and a MRCAETB responsible for assisting with the administration of the Education Schemes. Board members serve in an honorary capacity and include respected members of the community experienced in matters relating to the welfare and education of children. The Board oversees each student's progress and provides educational guidance and counselling where necessary.

Can I get assistance under the VCES if I'm receiving youth allowance or another education assistance payment?

No. Benefits will not be paid for a student who receives financial assistance under another Australian Government education assistance, income support or other similar scheme such as Youth Allowance.

Receipt of the Commonwealth Education Costs Scholarship or Commonwealth Accommodation Scholarship, or the Student Start-up Scholarship or Relocation Scholarship does not affect eligibility for other benefits under the Education Schemes.

How can I make a claim?

Claims for assistance under the Education Schemes can be made on the relevant claim form:

- Form D2697 - VCES and MRCAETS – Application for Assistance – Students under the age of 16 years; *or*
- Form D2566 - VCES and MRCAETS – Application for Assistance – Students aged 16 to 24 years.

Rent assistance should be claimed (for VCES or MRCAETS) on:

- Form D742 - VCES Application for Rent Assistance.

The forms can be downloaded and completed from the DVA's website:

<http://www.dva.gov.au/dvaforms>

Alternatively, you can get a form by contacting your nearest DVA office. All completed forms should be posted to DVA in your capital city. The addresses are provided on the form.

A claim for benefits may be made by:

- the veteran, ADF member or former member; *or*
- a dependant of the veteran, ADF member or former member who has reached the age of 16 years; *or*
- another person on behalf of the veteran, member, former member or dependant with the approval of the veteran, member, former member or dependant; *or*
- a person approved by the decision maker if the veteran, member, former member or dependant is unable to claim because of physical or mental incapacity.

Education Schemes, *continued*

A claim for benefits under the Scheme may be made on behalf of a dependant who has not turned 16 by:

- a parent or guardian of the dependant; *or*
- another person approved by the parent or guardian of the dependant; *or*
- another person approved by the decision maker if there is no parent, guardian or person approved by the parent or guardian of the dependant alive, willing, or able to make the application.

Claims for dependants less than 5 years of age require a birth certificate or adoption papers. Dependants aged 5 – 17 years of age also require relevant education documents, such as proof of enrolment papers from a primary or secondary school or tertiary institution.

New claimants 18 years of age or older, or current dependants who turn 18 years of age and are receiving a payment under the VCES or MRCAETS schemes, are required to provide full proof of identity documents, in addition to relevant education documents, to prove their enrolment in a school or tertiary institution.

Disclaimer

The information contained in this factsheet is general in nature and does not take into account individual circumstances. You should not make important decisions, such as those that affect your financial or lifestyle position, e.g. retirement, on the basis of information contained in this factsheet. Where you are required to lodge a written claim for a benefit, you must take full responsibility for your decisions prior to the written claim being determined. You should seek confirmation in writing of any oral advice you receive from DVA relating to complex or important matters.

Other Factsheets

Other Factsheets related to this topic include:

- *DP 43 Disability Pension and War Widow's/Widower's Pension Rates and Allowances*
- *DVA 06 Proving Your Identity to DVA*
- *MRC 04 Compensation Payment Rates (MRCA)*
- *MRC 45 Student Start-up Scholarship and Relocation Scholarship*

More information

All DVA Factsheets are available from DVA offices, and on the DVA website at www.dva.gov.au.

You can phone DVA on 133 254 or free call 1800 555 254 if you are outside a major city.

*Note:** Use a normal landline phone if you can. Mobile phone calls may cost you more.

You can send an email to DVA at: GeneralEnquiries@dva.gov.au.