

# DVA Factsheet

## MRC47

**Veterans' Entitlements Act 1986 (VEA)**

**Military Rehabilitation and Compensation Act 2004 (MRCA)**

### Education Schemes

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#### Purpose

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 full-time education or career training.

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#### 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*. While the benefits provided under each scheme are mostly the same, eligibility rules differ slightly under the different pieces of legislation and are set out below.

Both schemes provide benefits for eligible children undertaking primary, secondary or tertiary study and are normally only provided for full-time study within Australia.

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#### Who is eligible under the VCES?

Under the VCES, an *eligible child* 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:
  - o at the special rate (commonly known as T&PI);
  - o at the extreme disablement adjustment (EDA) rate;
  - o 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 (ADF) whose death was war or defence caused; *or*
- the child of a veteran who was an Australian prisoner-of-war and is now deceased.

If a student, whose deceased veteran parent had operational service but whose death was not war or defence caused, has also lost their other parent, they are also an eligible child. This loss may be through death or where the surviving parent is not maintaining them.

A student who is the child of a Vietnam veteran (or who is or has been dependent on a Vietnam veteran) but who does not qualify under any of the above criteria may be eligible in certain circumstances.

## **Who is a child of a veteran, member or former member under the VCES?**

A child of a veteran, member of the Forces or member of a Peacekeeping Force can be:

- a biological son or daughter or an adopted son or daughter of the veteran or member; *or*
  - a child who is wholly or substantially dependent on the veteran or member, including, but not limited to:
    - o a child who by law the veteran or member is liable to maintain; *or*
    - o a child who is in the care of the veteran or member and for whom the veteran or member is legally responsible for day-to-day care, welfare and development ; *or*
    - o a child who is wholly or substantially in the veteran or member's care.
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## **Who is eligible under the MRCAETS?**

Under the MRCAETS, an *eligible child* 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*
  - has been compensated as an eligible young person under the MRCA for the death of a deceased member of the ADF; *or*
  - is the dependant of a member or former member who is eligible for the Special Rate Disability Pension safety net payment (SRDP); *or*
  - is the dependant of a member who has satisfied the criteria for eligibility for SRDP at some point in their life; *or*
  - is the dependant of a member or former member who is eligible for maximum permanent impairment compensation under the MRCA (assessed at 80 or more impairment points).
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## **Who is a child of a member or former member under the MRCAETS?**

A child of a member or former member is a child that is wholly or partly dependent on the member or former member, and can be:

- a biological son or daughter, an adopted son or daughter or a step-son or step-daughter of the member;
  - a biological son or daughter, an adopted son or daughter or a step-son or step-daughter of the member's partner;
  - a grandchild of the member;
  - the member's brother, sister, half-brother or half-sister; *or*
  - any child for whom the member stands in the position of a parent.
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## Eligibility over age 25

An eligible child who turns 25 years of age while completing their course, or who was given approval to undertake a course before turning 25, may retain eligibility for VCES and MRCAETS.

It is important to note that while some VCES and MRCAETS children receiving entitlements following the death of their veteran or member parent are eligible for weekly compensation and a Gold Card, the weekly compensation and Gold Card eligibility are not linked to the VCES or MRCAETS, and consequently cease once a student turns 25 years old.

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## 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;
  - 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.
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## What education assistance is available?

A student may be eligible for the following benefits provided under the Education Schemes:

- education allowances paid at the following rates:
  - o primary education allowance;
  - o secondary and tertiary living at home allowances;
  - o living away from home allowance; *or*
  - o homeless student education allowance;
- special financial assistance;
- fares allowance;
- rent assistance;
- additional tuition;
- guidance and counselling;
- tertiary scholarships – see *Factsheet MRC45 Student Start-up Scholarship and Relocation Scholarship*
- Schoolkids Bonus – see *Factsheet MRC48 Schoolkids Bonus*
- Income Support Bonus – see *Factsheet MRC49 Income Support Bonus*

For the current payment rates, please refer to these Factsheets:

- **VCES rates** – *Factsheet DP43 Disability Pension and War Widow(er)'s Pension Rates and Allowances*
  - **MRCAETS rates** – *Factsheet MRC04 Compensation Payment Rates (MRCA)*
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## **Who are payments of education allowances made to?**

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).

For secondary school students living at home who are aged 16 or more, the payment is made to the parent/guardian although they can elect to have the payment made directly to the student.

Payments are made directly to tertiary students.

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

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## **Is education allowance means tested?**

No. The amount of education allowance paid to a student is not subject to a student or parental income or assets test.

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## **Is education allowance taxed?**

Education allowances are tax exempt up until the age of 16. Please refer to *Factsheet PAT11 Taxation and your DVA payments*. If you have any taxation queries, contact the Australian Taxation Office by phone on 13 28 61 or visit their website [www.ato.gov.au](http://www.ato.gov.au)

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## **Does education allowance affect eligibility for Family Tax Benefit?**

Yes. Once your child turns 16, you cannot receive both Family Tax Benefit (FTB) paid by the Department of Human Services (Centrelink), and an education payment from DVA under the Education Schemes, or similar education payments from the Australian Government. You will therefore need to decide whether to claim FTB for your child or receive an education payment under the Education Schemes.

For more information on FTB, please contact the Department of Human Services on 136 150 or visit their website [www.humanservices.gov.au](http://www.humanservices.gov.au)

This website provides a Family Assistance Estimator to see what family assistance your family may be entitled to. When using the estimator, select the FTB/Youth Allowance comparison option on the website.

If your family decides to claim FTB from the Department of Human Services instead of an education allowance under the DVA Education Schemes, your child will continue to be eligible for non monetary benefits under the DVA Education Schemes. These benefits include guidance, counselling and additional tuition. Generally, once your child intends on commencing tertiary study, you should contact DVA about returning to the DVA Education Schemes.

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### **What is special financial assistance?**

Special financial assistance is meant for times where there are exceptional circumstances hindering a child's academic progress. It is generally paid to the provider of a service or a supplier of equipment required to assist the child. Please contact DVA to discuss your eligibility for this assistance.

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### **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.

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.

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### **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.

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## 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.

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## 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.
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## What are the Veterans' Children Education Boards (VCEB) and the Military Rehabilitation and Compensation Act Education & Training Boards (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.

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## 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*
- *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*

Forms can be downloaded from DVA's website <http://www.dva.gov.au/dvaforms> or by contacting DVA. All completed forms should be posted to DVA in your capital city. The addresses are provided on the form.

A birth certificate or adoption papers must be provided with all claims for dependants less than 5 years of age. 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.

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## **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.

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## **Other Factsheets**

- DP43 Disability Pension and War Widow's/Widower's Pension Rates and Allowances
  - DVA06 Proving Your Identity to DVA
  - MRC04 Compensation Payment Rates (MRCA)
  - MRC45 Student Start-up Scholarship and Relocation Scholarship
  - MRC48 Schoolkids Bonus
  - MRC49 Income Support Bonus
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## **More information**

All DVA Factsheets are available from DVA offices, and on the DVA website at [www.dva.gov.au](http://www.dva.gov.au)

DVA General Enquiries telephone number: 133 254 (metro)  
or FreeCall 1800 555 254 (regional callers).

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](mailto:GeneralEnquiries@dva.gov.au)