

VOLUNTARY WORK SPECIAL RATE (TPI) PENSION RECIPIENTS

The following pages of this document consist of a:

- Letter from the Minister of Veterans Affairs about TPI's undertaking voluntary work - this letter gives a clear understanding about the manner in which DVA will deal with TPI's undertaking voluntary work.
- Memorandum from the DVA National Manager of Compensation Policy – this memo provides the policy (guidelines) under which DVA would work when considering issues related to TPI's and voluntary work.

NOTES:

1. The information contained in the Memorandum document should be treated as guidelines only.



The Hon Bruce Billson MP
Minister for Veterans' Affairs
Minister Assisting the Minister for Defence
Federal Member for Dunkley

Mr R W Elworthy
State President
Vietnam Veterans Association of Australia
Victoria Branch
ANZAC House
4 Collins Street
MELBOURNE VIC 3000

Dear Mr Elworthy

Thank you for your letter of 20 March 2006 concerning Totally and Permanently Incapacitated (Special Rate) Pensioners undertaking voluntary work. I apologise for the delay in responding.

Thank you also for your kind words on my appointment as Minister. I consider it an honour to have been given the opportunity to serve our veterans and members of the Australian Defence Force.

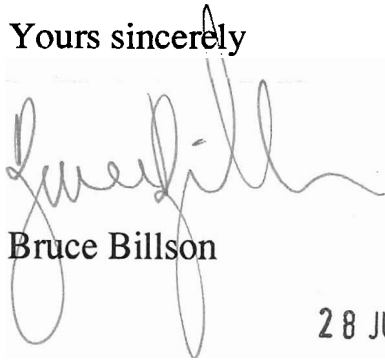
I have noted your concerns about the impact of voluntary work on eligibility for the Special Rate pension. The rules concerning a Special Rate pension provide that it will continue unless the veteran is undertaking, or is capable of undertaking remunerative work for periods aggregating more than 8 hours per week. There is a distinction to be made between remunerative and voluntary work.

The Repatriation Commission accepts the principle that voluntary work does not have the same pressure or stress inherent in paid employment, and should be discounted for the purposes of the capacity to work test of paragraph 24(1)(b) of the *Veterans' Entitlements Act 1986* (VEA) - whether a person can work eight hours per week. However, as stated, the capacity of each veteran to work must be decided individually.

In an extreme case, the Commission may feel compelled to act under Section 24A to review a veteran's continuing eligibility for a Special Rate pension because of an involvement in voluntary work, especially where that work would usually attract remuneration.

I can assure you that there has been no policy change concerning genuine voluntary work. Special Rate and Intermediate Rate Pensioners who provide a voluntary service when possible, either for ex-service organisations or other community organisations, need have no concern about the continuation of their pensions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bruce Billson', written over a light grey rectangular background.

Bruce Billson

28 JUN 2006

DVA MINUTE - ACT Office

SUBJECT:

CLARIFYING THE DEFINITION OF VOLUNTARY WORK FOR POLICY PURPOSES AND ITS IMPACT ON THE SPECIAL RATE PENSION

Purpose

To clarify the nature of voluntary work and the effect on Special Rate Pension

Voluntary Work: Definition

The agreed definition of voluntary work for policy purposes is 'unpaid work for a recognised community or welfare organisation'. Unpaid work for family, friends, or a business enterprise formed for the purposes of making a financial profit is not classified as voluntary work.

Voluntary Work: Policy

Under the *Veterans ' Entitlements Act 1986 (VEA)*, the Repatriation Commission has a general policy approach that voluntary work does not have the same pressure or stress that is inherent in paid employment and should therefore be discounted when assessing a person's eligibility for the Special Rate Pension.

Unpaid work for a not-for-profit organisation or ex-service organisation will generally constitute voluntary work.

However, in each case, the Delegate must be satisfied that the work is voluntary and does not affect the Delegate's assessment of the veteran's incapacity for paid work.

Circumstances that may indicate that the case warrants further investigation include;

- The work shows characteristics of remunerative work, such as:

- It involves set hours and workload: Voluntary work usually allows the person to work flexible hours at their own pace. When a person is performing remunerative work, the employer sets time and pace parameters that the person must meet;
- Profit is being made from the work undertaken from the veteran (even if the veteran isn't being paid);
- Work of that kind would usually be paid (eg there are other people working in the same position and being paid), the work appears to indicate that the veteran may be able to undertake remunerative work.

Indicators may include:

- The veteran is working excessive hours¹ in the voluntary work;
- The voluntary work involves duties that would have been undertaken in the veteran's last paid work.

¹ **NOTE:** There is no defined upper limit to the hours of voluntary work a person may undertake, and the hours worked in voluntary work are not linked at all to the eight-hour limit imposed on remunerative work. A high number of hours in voluntary work is not on its own an indication that the veteran is able to work in remunerative work.

Contact

Any queries regarding policy on voluntary work under the VEA should be directed to Veterans' Compensation Policy Section in the ACT location.

SIGNED

Sean Farrelly

National Manager

Compensation Policy

31 January 2008