

Social Security – Department of Veterans’ Affairs Service Pension

Service pensions from the Department of Veterans’ Affairs (DVA) provide regular income to help veterans and their partners achieve an adequate level of income in retirement.

How it works

DVA Service Pensions can be paid to veterans who are over the age of 60 or meet invalidity requirements. The veteran’s partner may also qualify for a DVA partner pension instead of needing to apply through the Department of Human Services (DHS).

It is important to speak to DVA to confirm your eligibility and full entitlements as you may receive concessions other than those outlined below.

Age Service Pension

Veterans qualify for the Age Service Pension earlier than the DHS Pension in recognition of war service. If you are a veteran, you may be eligible for the Age Service Pension if you:

- have reached age 60
- have qualifying service (this generally means that you have served in operations against the enemy while in danger from hostile forces of the enemy)
- meet residency requirements (and you are a resident of Australia and present in Australia at the time of lodging your claim).

The Age Service Pension is assessable income and must be included in your tax return. There are two rates of Age Service Pension - the single rate and the couple rate. The rate paid for each member of a couple is less than the rate paid to a single person because couples can share household costs. You should refer to the DVA website at www.dva.gov.au to find out more and to obtain the current pension rates, limits and allowances.

Invalidity Service Pension

If you are a veteran, you may be eligible for an Invalidity Service Pension if you:

- are below Age Pension age (refer to the note below)
- are permanently incapacitated for work (your incapacity does not need to be related to war service)
- have qualifying service (this generally means that you have served in operations against the enemy while in danger from hostile forces of the enemy)
- meet residency requirements (you are a resident of Australia and present in Australia at the time of lodging your claim).

The Invalidity Service Pension is not taxable whilst you are under DHS pension age. You should refer to the DVA website at www.dva.gov.au to find out more and to obtain the current pension rates, limits and allowances.

Partner Service Pension

You may be eligible for the Partner Service Pension if your spouse (married or de facto) is a veteran receiving a Service Pension. To be eligible for the Partner Service Pension, you need to:

- be at least age 60, or
- have dependent children and be any age, or
- be any age if your spouse receives Special Rate Disability Pension, or
- be at least age 50 if your spouse receives an above general rate Disability Pension.

In some circumstances, you can be eligible for the Partner Service Pension if you are married to, but separated from, a veteran who is eligible to receive the Service Pension.

The Partner Service Pension is taxable. But if you and your partner are both under DHS pension age and your partner receives an Invalidity Service Pension (or did until he/she passed away) the pension will be tax-free.

Please note: Age Pension age (non-veteran) will increase by six months every two years until it reaches 67 on 1 July 2023. This will not affect you if you were born before 1 July 1952.

You should refer to the DVA website at www.dva.gov.au to find out more and to obtain the current pension rates, limits and allowances.

Veterans' Health Cards

DVA issues health cards to eligible veterans and former members of Australia's defence force, their widows/widowers and dependants. There are different eligibility requirements for each type of card.

Pensioner Concession Card (PCC)

If you are eligible for a Service Pension you will also receive a Pensioner Concession Card (PCC) to help reduce your expenses.

The PCC gives you access to a range of discounted medical services funded by the government including cheaper prescription medicines through the Pharmaceutical Benefits Scheme (PBS). Doctors may bulk bill if you hold this card and you may also receive some concession through your state, territory or local government. The range of concessions will vary depending on where you live and you should check www.australia.gov.au for further information.

Benefits

These may include:

- A DVA Service Pension provides a regular income stream to improve your cash flow.
- Your assets may last longer, because the increased cash flow means you will have less need to draw on your personal savings.
- You will be entitled to a concession card and may also be entitled to a health card to reduce the cost of some expenses (such as reduced cost medicines).

Risks, consequences and other information things to consider

These include:

- If you are still working and over qualifying Pension age, the first \$300 of employment or business income per fortnight will not impact your income test under the Work Bonus. Qualifying pension age is 60 for veterans with qualifying service and DHS age pension age for other DVA recipients.

- Other benefits, such as Rent Assistance, may also be payable if you qualify for a DVA Service Pension.
- If your DVA Service Pension is taxable income you may be eligible for tax offsets to help reduce your tax liability.
- You are required to tell the DVA within 14 days about any change in your circumstances that may affect your payment. If you don't and you receive an overpayment, you will need to repay this amount.
- You cannot receive a Service Pension from the DVA as well as an Age Pension from the DHS.

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