



Additional Disablement Amount (ADA)

Topics

What the VETS Act does

Grandparenting and what it means for veterans

What is the ADA?

What is the threshold test?

Eligibility

Comparison with EDA

ADA offsets

Ancillary benefits



What the VETS Act does

From 1 July 2026, the VEA and the DRCA will be closed to new claims.

All new claims for compensation & rehabilitation, regardless of when a veteran served, or when their injuries or diseases occurred, will be determined under an improved MRCA.

Existing payments under the VEA and DRCA, except DRCA incapacity payments, will be grand-parented. This means they will continue uninterrupted and be indexed as normal.

Existing treatment arrangements for card holders will not change.

Veterans receiving DRCA incapacity payments will automatically transition to the more generous MRCA incapacity payments on 1 July 2026.

DRCA veterans may, for the first time, be eligible for treatment for any injury or disease via the Gold Card. They will also be eligible for SRDP under the MRCA.

Grandparenting and what it means for veterans

The VETS Act will facilitate veterans' eligibility for a range of benefits available under the improved MRCA, even if their service was covered by the VEA or the DRCA prior to the commencement of the VETS Act on 1 July 2026.

Payments being received under the VEA and DRCA prior to 1 July 2026 will be grandparented, which means they will continue uninterrupted.

This includes all Disability Compensation Payments (including the Special Rate (TPI)).

Income support payments such as the Veteran Payment, Service Pension, Partner Service Pension and Income Support Supplement.

The one exception is for veterans in receipt of incapacity payments under the DRCA, who will have those payments automatically transitioned into the more beneficial MRCA system from 1 July 2026.



What is the ADA?



New Payment available from 1 July 2026 under the MRCA



Tax-free payment similar to the Extreme Disablement Adjustment (EDA)



ADA will provide a safety net for those age pension age or above with high levels of impairment



The threshold test does not apply



Not treated as income for either DVA or Services Australia income support purposes

What is the threshold test?

Current DRCA and VEA veterans will require acceptance of a new claim for initial liability under the MRCA from 1 July 2026 or a worsening in their impairment by at least five impairment points **in addition to meeting the normal eligibility criteria under the MRCA** as a trigger for eligibility for certain ancillary benefits.



Require the additional threshold test to be met:

Additional compensation payment under section 80

Veteran Gold Card at 60 impairment points



Does not require the additional threshold test to be met:

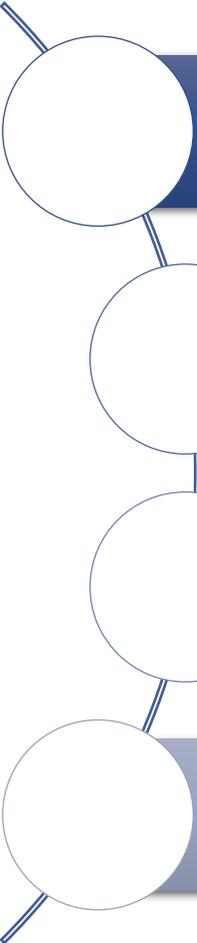
SRDP eligibility, including Veteran Gold Card (with “TPI” embossing)

ADA eligibility, including Veteran Gold Card (with “EDA” embossing)

MRCA incapacity payments

MRCAETS (education scheme) for eligible dependants

Eligibility criteria



not receiving incapacity payments or the SRDP under the MRCA

not receiving the EDA, Special Rate, Temporary Special Rate or Intermediate Rate of DCP under the VEA

age pension age or older

have an impairment rating of 70 points with a lifestyle rating of at least 6 under GARP M

ADA Offsets

Dollar for dollar

by any the amount of **Disability Compensation Payment (DCP)** under the VEA received, and by **Permanent Impairment (PI)** compensation paid under the **DRCA and MRCA** – whether weekly or lump sum payments.

60 cents in the dollar

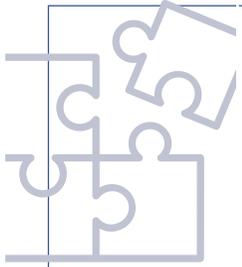
of the **Commonwealth-funded component** of any superannuation benefit (lump sum or periodic payment) received as a result of retirement.

ADA reduction amount for Income Support payments:

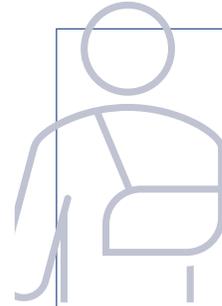
The portion of superannuation used to reduce the ADA amount, but not below zero (after other offsets like MRCA PI and VEA DCP).

This amount is not used in the means test for income support payments.

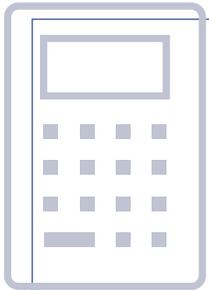
ADA example - Matthew



Matthew is 68 and receiving 50% Disability Compensation Payments (DCP) for his VEA service-related conditions. He is not receiving any Commonwealth-funded superannuation.



Matthew's conditions have worsened as he has aged so he lodges a claim for the worsening of all conditions after 1 July 2026.



Matthew's impairment from previously compensated conditions is 30 points. Matthew's new assessment is 70 points with a lifestyle rating of 6.

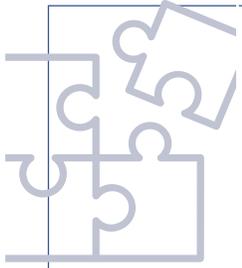


Matthew receives Permanent Impairment compensation of \$222.41 per week or he can elect to receive an age based lump sum of \$149,056.09 (takes into account payments under previous Acts).

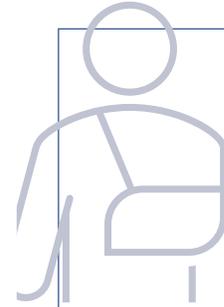
Maximum weekly ADA (as at 1 July 2025)	\$483.15
minus 50% DCP	\$154.75
minus MRCA PI weekly equivalent	\$222.41
=	\$105.99



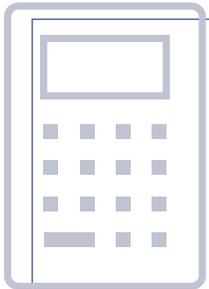
ADA example - Stuart



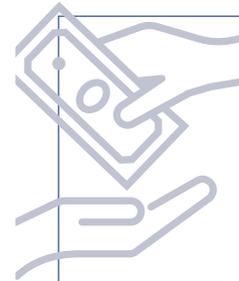
Stuart is turning 67 on 18 November 2026. He is currently receiving MRCA incapacity payments and does not receive any superannuation.



Stuart has been assessed under the MRCA at 70 impairment points with a lifestyle rating of 6. He receives his MRCA permanent impairment as a periodic payment, currently \$334.24 per week.



Stuart's incapacity payments will cease on 18 November 2026 as he has reached age pension age.



At this time Stuart will instead meet the eligibility criteria for ADA because he is age pension age, is no longer receiving incapacity payments or another payment that would preclude him and meets the impairment threshold.

Maximum weekly ADA (as at 1 July 2025)	\$483.15
<i>minus</i> MRCA PI weekly payment	\$334.24
=	\$148.91

Ancillary benefits

Where a veteran is ADA eligible, they will also receive:

An 'EDA' embossed Veteran Gold Card;

Their eligible dependants have access to education assistance; and

Their eligible dependants receive access to compensation following the death of the veteran, regardless of the cause of death.

Comparison with EDA

Additional Disablement Amount (ADA)

- payments are tax-free.
- eligible to receive a fortnightly Energy Supplement at the higher rate.
- not considered as income for VEA and Social Security Act income support purposes.
- Eligible dependants can access compensation following the death of the veteran, regardless of the cause of death.
- Offset by other compensation and Commonwealth superannuation.

Extreme Disablement Adjustment (EDA)

- payments are tax-free.
- eligible to receive the fortnightly Energy Supplement at the low rate.
- not considered as income for VEA and Social Security Act income support purposes.
- Eligible Dependants will receive automatic payment of War Widows and Orphans pensions following the death of the veteran.
- Offset by other compensation paid for the same incapacity only.

Time to test your learning



Quiz Question 1



To be eligible for the ADA, as well as meeting other criteria, veterans must be:

a) Over 50

b) Age pension age or older

c) Retired

Quiz Question 2



The ADA is offset at what rate against the Commonwealth-funded component of any superannuation benefit

a) Dollar for dollar

b) 50 cents in the dollar

c) 60 cents in the dollar

Quiz Question 3



True or False, If you are receiving a Disability Compensation Payment at the intermediate rate you are still eligible to receive the ADA?

True

False



Thank you for watching

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