



Australian Government

Department of Veterans' Affairs

# **VETS Act - Compensation Following the Death of a Veteran**

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# Topics

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VEA auto-grants

Funeral compensation from 1 July 2026

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# Date of claim approach

Claims lodged **after** 1 July 2026 will be assessed under the improved MRCA, regardless of when the death occurred and when the veteran served

Claims lodged **before** 1 July 2026 will be determined under DRCA, MRCA or VEA

No additional compensation for dependants who received compensation before 1 July 2026

Auto-grants under the VEA will continue after 1 July 2026, with the option to claim under MRCA

# When is compensation payable?

Compensation for the death of a veteran under the MRCA can be paid where:

The death is accepted as service-caused

Where the veteran was eligible for the Special Rate Disability Pension (SRDP) during some period of their life

Where the veteran was assessed at 80 or more impairment points under GARP M

From 1 July 2026, where the veteran was eligible for the Additional Disablement Amount (ADA) during some period of their life

From 1 July 2026 this eligibility applies to all veterans, regardless of when they served.

Dependants of DRCA veterans will have access to compensation where the veterans was suffering high levels of impairment, regardless of their cause of death, for the first time.

# Definition of service death from 1 July 2026



The definition of service injury and service death is being amended



Allowing for an injury or death to be accepted on the basis that it occurred while the person was 'on duty' as a defence member



For example: heart attacks and strokes



Regardless of whether or not the injury was caused by the member's duties

# Who can receive compensation – Wholly Dependent Partners



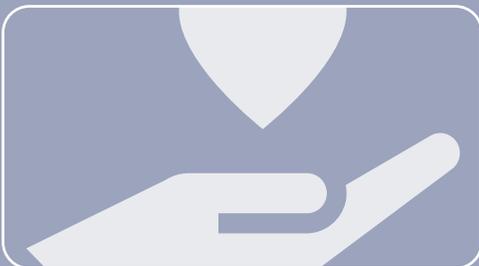
## Partner

- Legally married to the veteran
- State or territory registered relationship
- De-facto partner
- In a relationship recognised under Indigenous custom



## Wholly dependent

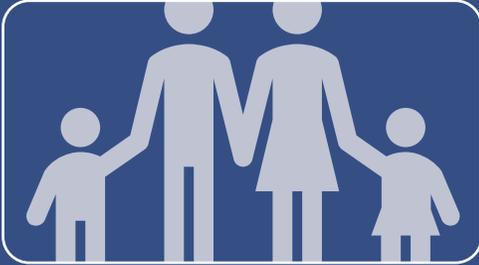
- Deemed wholly dependent when the partner was living with the veteran at time of death; or
- Would have been living with veteran but for a temporary absence, or illness/infirmity of the veteran or dependant



## Compensation

- Gold Card for life
- Tax-free weekly payment for life, with the option to convert part or all to an age based lump sum
- Additional lump sum amount where the death is accepted as service caused
- Bereavement payments – 12 weeks worth of incapacity payments, PI periodic payments, SRDP, and ADA (from 1 July 2026 )

# Who can receive compensation – Eligible Young Persons



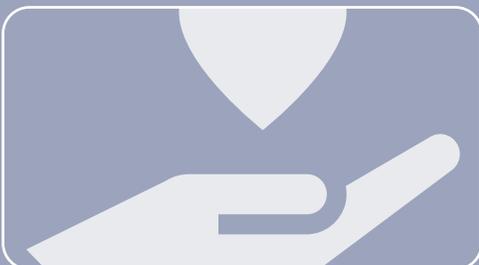
## Dependant Eligible Young Person (EYP)

- Child, adopted child, step-child, grandchild of the veteran or their partner, or a person who the veteran stood in the position of a parent; who is
- Under 16 years old; or
- Between 16 and 25 and in full-time education and not in full-time employment.



## Wholly dependent

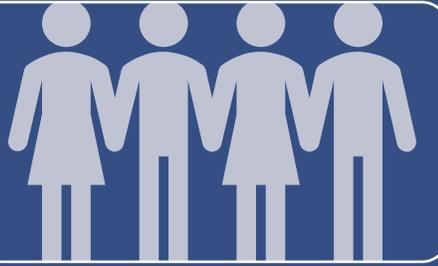
- Deemed wholly dependent when they were living with the veteran at time of death; or
- would have been living with veteran but for a temporary absence, or illness/infirmity of the veteran or EYP; or
- the veteran was liable to provide child support for the EYP



## Compensation

- **Lump sum** amount where the EYP was **wholly or partly** dependent
- Access to **education assistance** under MRCAETS where the EYP was **wholly or partly** dependent
- **Gold Card** where the EYP was **wholly dependent** (and while they remain an EYP)
- **Tax-free weekly payment** where the EYP was **wholly dependent** (and while they remain an EYP)
- Bereavement payments, where there is no Wholly Dependent Partner

# Who can receive compensation – ‘Other’ dependant



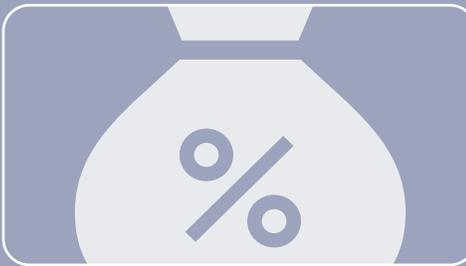
## ‘Other’ dependant

- Veterans or their partners parents or step-parents
- Veteran's grandparents, siblings or half-siblings
- Related person covered under section 15 of the MRCA



## Deemed Dependent

- Compensation only payable where the person can demonstrate they were dependent on the veteran for economic support at the time of their death
- The economic support must have been consistent and relied upon by the dependant



## Compensation

- In determining the amount each dependant receives DVA will consider any financial loss suffered due to the veteran death and the degree and length of dependency.

# VEA auto-grants

- The automatic granting of War Widows and Orphans Pensions does not change from 1 July 2026
- Dependants can also lodge a claim under the MRCA where the death occurs after 1 July 2026

No change



- Ex-Prisoner of War (POW)
- Extreme Disablement Adjustment (EDA)
- Special Rate (TTI and TPI)
- Intermediate Rate
- Certain increased rates of pension for specific disabilities

Eligibility



- Widow(er)s - tax-free fortnightly pension and a Gold Card for life
- Orphans – while under the age of 25, in full-time education and not receiving certain other payments; tax-free fortnightly pension, a Gold Card and education assistance

Compensation



# Funeral compensation from 1 July 2026



Claims lodged after 1 July 2026 assessed under the MRCA



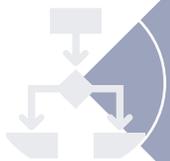
Claims lodged under the DRCA and/or VEA before 1 July 2026 will be determined under those Act/s



If funeral compensation was paid before 1 July 2026 cannot receive additional compensation under the MRCA



Additional eligibility categories replicating the VEA added to the MRCA



This means that MRCA now has 2 different rates of funeral compensation available

# Funeral compensation from 1 July 2026

## High Rate \$14,990.43 (indexed)

- Payable where:
  - death is service-caused,
  - veteran assessed at 80 or more impairment points,
  - veteran was SRDP eligible at some point
  - veteran was ADA eligible at some point (from 1 July 2026)
- Payable to maximum rate or the actual cost of the funeral (whichever is less)
- Indexed on 1 July each year

## Low rate \$3,000 (fixed)

- Automatically paid to the estate of veterans who were receiving EDA, Special Rate (TPI only), an Additional Disability allowance as a multiple amputee, and ex-prisoners of war
- Can be claimed where the veteran:
  - Death was war or defence-caused (within the meaning of the VEA)
  - died in indigent circumstances
  - died in a hospital or other institutions
  - travelling to or from a hospital/institution
  - after discharge from a hospital/institution where they received treatment for a terminal illness
  - while being treated at home for a terminal illness
- Funeral benefits for a dependant who died in indigent circumstances in certain circumstances.

# Exceptions to the date of claim approach

Deaths before 1 July 2026 that are caused by **VEA service only** have some limits to the compensation that is paid, even if the claim is after 1 July 2026:

- **Additional lump sum amount** – not payable, even if the claim is after 1 July 2026
- The full range of MRCA entitlements is available otherwise

Deaths after 1 July 2026 attract the full range of MRCA entitlements.

- **Funeral benefit** – maximum \$14,990.43 (as at 1 July 2025) where death is service-caused or other high rates of impairment are met. \$3,000 where the low rate criteria apply.
- **Additional lump sum amount** – payable where death is accepted as service-caused under the MRCA, regardless of when the veteran served

# Example - Anne

Anne is a 58 year old veteran with service covered under the VEA only, she was receiving a DCP at 70% of the general rate. She passes away due to one of her accepted VEA conditions on 15 May 2026, leaving behind a husband who was living with her at the time of her death.

## Claim before 1 July 2026 under VEA

- Husband will receive War Widower's Pension and a Gold Card for life.
- Funeral benefit of up to \$2,000 can be claimed.
- No additional lump sum amount payable.

## Claim after 1 July 2026 under MRCA

- Husband will receive Wholly Dependent Partner periodic payments with the option to convert some or all of this to an age-based lump sum, and a Gold Card for life.
- Funeral benefit of up to \$14,990.43 can be claimed.
- No additional lump sum amount payable.

If Anne's death occurred after 1 July 2026 and her death is accepted as service-caused under the MRCA, her husband would be entitled to the full range of MRCA benefits including the additional age-based lump sum. Both the date of death and the date of claim are the key considerations in this case.

# MRCA and VEA enhancements

## Posthumous Permanent Impairment (PI)

MRCA has been amended to allow a Legal Personal Representative (LPR) to convert 100% of the weekly rate of permanent impairment (PI) compensation to a lump sum

Only available where the veteran had submitted the compensation claim before they died, and the veteran did not make a choice to convert their weekly compensation payment to a lump sum, before they died.

Where there is no LPR there will be no election to convert.

## Disability Compensation Payment to date of death

Currently, when a veteran receiving a DCP dies, the payment and allowances stop at the end of the fortnightly pay period before the date of death.

From 1 July 2026, the VETS Act has amended the VEA so that the final date of payment of DCP (and associated allowances) will be the veteran's date of death.



# Quiz Question 1

Pete passes away on 7 August 2026 due to conditions that had been accepted under the DRCA. Pete has a partner and three children under the age of ten who were living with him when he died. His partner lodges a claim for compensation on 10 September 2026 and his death is accepted as service caused. What can they receive?

- a) Pete only has eligibility under the DRCA. Now that the DRCA has closed his family can't be compensated.
- b) Pete's partner will receive a Gold Card and the WDP periodic payment which she can convert to an age based lump sum (or combination of both), and an additional age based lump sum. Pete's children will each receive a Gold Card, Eligible Young Person (EYP) weekly payments and an EYP lump sum, and access to the MRCA Education and Training scheme. Funeral compensation up to \$14,990.43 can also be claimed.
- c) \$3,000 auto- grant for compensation for funeral expenses



## Quiz Question 2

Margaret has service covered under both VEA and DRCA, she is receiving the Special Rate of Disability Compensation Payment which continues after 1 July 2026 through the grandparenting arrangements. She doesn't make any further claims after 1 July 2026. She passes away due to a service-caused condition on 5 November 2026 leaving behind her husband and 18 year old son.

a) Margaret's dependants will receive the auto-grant benefits under the VEA *and* can choose to claim under the MRCA.

b) Margaret's dependants are only entitled to receive the auto-grant benefits because she never claimed under the MRCA after 1 July 2026.



# Quiz Question 3

William was 84 when he passed away in 2005, his partner has been receiving the war widower's pension under the VEA since that time, including a Gold Card for any health treatment she may require. How do these changes affect William's widow?

- a) She will need to submit a new claim for his death after 1 July 2026 to continue to maintain her Gold Card and War Widow's Pension.
- b) She will maintain her War Widow's Pension and Gold Card and can claim for his death under the MRCA to receive additional compensation.
- c) There is no impact to her existing entitlements.



# Quiz Question 4

Bruce is 68 and accepted service-related conditions under the VEA and is receiving a 40% Disability Compensation Payment (DCP) payment. Bruce dies on 6 June 2026 because of one of his service-related conditions. Bruce's brother organises and pays for Bruce's funeral as the executor of his estate (LPR). He submits a claim for compensation for the cost of the funeral on 30 July 2026.

a) As Bruce's death was service-related his brother can receive reimbursement up to the higher rate of \$14,990.43 because he submitted the claim after 1 July 2026.

b) As Bruce's death occurred before 1 July 2026 and was war-caused within the meaning of the VEA his brother will receive reimbursement up to \$3,000.

c) Bruce's brother won't receive anything as the VEA has closed to new claims.



# Thank you for watching

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