



**VIETNAM VETERANS  
ASSOCIATION OF AUSTRALIA**

**SUBMISSION TO THE REVIEW COMMITTEE OF THE  
VETERANS' ENTITLEMENT ACT**

**Part 6  
BEREAVEMENT PAYMENTS AND  
FUNERAL BENEFITS**

18 April 2002

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# **BEREAVEMENT PAYMENTS AND FUNERAL BENEFIT – VVAA SUBMISSION**

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# BEREAVEMENT PAYMENTS AND FUNERAL BENEFIT – VVAA SUBMISSION

## Income Support Bereavement Payments

<b>Conditions</b>	An income support bereavement payment can be paid in respect of a person receiving service pension or income support supplement.
<b>Definition</b>	A bereavement payment provides financial assistance to a pensioner if their partner or a dependent child dies. This allows time for the pensioner to make changes to their finances before any changes are made to the rate of pension he or she is receiving.
<b>Types of bereavement payment</b>	For persons receiving service pension or income support supplement, there are 3 different types of bereavement payment: <ul style="list-style-type: none"><li>• Single Pensioner Bereavement Payment;</li><li>• Partnered Pensioner Bereavement Payment; and</li><li>• Dependent Child Bereavement Payment.</li></ul>
<b>How does it work?</b>	A bereavement payment continues the pension entitlements of the deceased person for the duration of a period known as a bereavement period.
<b>How it is paid</b>	A bereavement payment can be paid wholly or partly as a lump sum. Payment is typically made to the partner of the deceased pensioner or to the estate of the deceased single pensioner.
<b>Partnered pensioner bereavement payment</b>	The partner of a deceased pensioner is entitled to a bereavement payment of 98 days entitlement, based on the rate of payment on the last day of the last pension period prior to death. The 98 days entitlement of pension can be paid wholly or partly as a lump sum.
<b>Additional entitlement to partners</b>	In addition to the 98 days entitlement of pension, the partner of a deceased pensioner is entitled to a continuation of his or her pension entitlements, for the duration of the bereavement period, at the rate payable on the last day of the last pension period before his or her partner's death.

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# BEREAVEMENT PAYMENTS AND FUNERAL BENEFIT – VVAA SUBMISSION

## Income Support Bereavement Payments, Continued

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**Single pensioner bereavement payment**

14 days entitlement of pension is paid from the day after death, as if the person had not died.

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**Dependent child bereavement payment**

An eligible pensioner is entitled to receive 98 days of entitlement at the rate that would have been payable had the child not died.

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## Discussion

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**Reasons for the payment**

In summary, bereavement payment is paid to either a partnered veteran, single veteran or a dependant of a veteran. On examination of the bereavement payment it states that this payment is made to provide financial assistance to a pensioner if their partner or a dependant child dies. This allows time for the partner or dependent to make changes to their financial arrangements before changes are made to the rate of pension he or she is receiving or to the income, which normally contributes to their upkeep. There is no mention what so ever about this payment being to assist with the funeral costs.

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**The anomaly**

It is the case that younger veterans' particularly those who have suffered injury or illness as a result of their war service are unable to sustain proper relationships. These individuals often reside with elderly parents, who come to rely on the additional income to sustain lifestyle. Some reside with adult children.

Others have “on-again, off-again” relationships, and are likely to prematurely advise the formal termination of a relationship.

The current differentiation between partnered and unpartnered individuals discriminates against the formally unpartnered veteran, who may well be in circumstances where someone else does rely at least partially on their income. 14 days is not sufficient time to adjust in this situation.

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# BEREAVEMENT PAYMENTS AND FUNERAL BENEFIT – VVAA SUBMISSION

## Disability Pension Bereavement Payment

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**What is Disability Pension Bereavement Payment?**

Disability pension bereavement payment provides financial assistance to the partner of a deceased veteran who was on a disability pension. It is designed to assist the widow/er gradually to adjust his or her financial situation, and to assist in covering costs associated with the bereavement

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**Calculating the rate of Disability Pension Bereavement Payment**

A Disability Pension Bereavement Payment is equal to 6 fortnights worth of the deceased's disability pension payable at the time of death. In certain circumstances, where a claim for disability pension is determined after the death of the veteran, the Bereavement Payment may need to be calculated

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**Impact on other bereavement assistance**

Payments of disability pension bereavement payment have no impact on either:

- Income support bereavement payments; or
- Funeral benefits.

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**Payment of disability pension bereavement payment**

Disability pension bereavement payment is normally paid as a lump sum to the deceased veteran's partner. However, if the partner of the veteran dies before the payment is made, alternative payment arrangements will apply.

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**Eligibility for Disability Pension Bereavement Payment**

A person is eligible for disability pension bereavement payment if they are the partner of a veteran who:

- has died, and
- was receiving a disability pension.

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**Death of partner before disability pension bereavement payment made**

The table below describes what happens if the late veteran's partner dies before any bereavement payment is made. If the veteran and the partner die at the same time, (for example in a motor vehicle accident) the elder person is deemed under law to have died first.

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## BEREAVEMENT PAYMENTS AND FUNERAL BENEFIT – VVAA SUBMISSION

### Disability Pension Bereavement Payment, Continued

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If the partner of a deceased disability pensioner dies	Then the disability pension bereavement payment
Before the veteran	Is not payable at all
After the veteran's death, but before the Commission has been notified of the veteran's death	Is paid to the estate of the widow(er)
After the veteran's death, but before the Commission has been notified	Is paid to the estate of the veteran

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### Discussion

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#### Anomaly

There seems to be an anomaly in regard to disability bereavement payments in that a person on income support can receive a bereavement payment but one on disability cannot.

There is no mention of a disability bereavement payment being made to the estate of a deceased single Veteran. We believe that the financial circumstances of both a partnered veteran and a single veteran may in fact be the same in the majority of circumstances. This has been discussed on page 2

The inability of parents or children to access the disability bereavement payment which under other circumstances would be paid to the veteran's estate adds a financial burden to the Next of Kin of that single veteran who may be having financial problems without this additional impost.

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# BEREAVEMENT PAYMENTS AND FUNERAL BENEFIT – VVAA SUBMISSION

## Funeral Benefits

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<b>What is a Funeral Benefit?</b>	<p>A funeral benefit is a payment that is intended to help cover expenses incurred in respect of:</p> <ul style="list-style-type: none"><li>• the funeral of a deceased veteran;</li><li>• the funeral of the deceased dependant of a deceased veteran; and</li><li>• the cost of transporting the body from the place of death to the normal place of residence.</li></ul>
<b>Eligibility for a Funeral Benefit</b>	<p>A funeral benefit is payable in respect of the death of a veteran but not an allied veteran or an allied mariner. Only one payment of funeral benefit can be made in respect of a deceased veteran.</p>
<b>Funeral benefit and bereavement payment both payable</b>	<p>The VEA allows the payment of both bereavement payment and funeral benefit for one pensioner if that person is eligible for both.</p>
<b>Maximum amount of funeral benefit payable</b>	<p>The maximum amount of funeral benefit payable is \$572. Additional costs of transportation may also be paid for in the case of a deceased veteran.</p>
<b>Comparison with other organizations</b>	<p><b>DSS</b> Does not pay a funeral benefit. DSS does however pay a thirteen-week bereavement payment.</p> <p><b>WORK COVER</b> Work Cover does not have any set amount. Claims are submitted and dependant upon the circumstances, the benefit could cover the full amount of the funeral including the plot and other items.</p> <p><b>MCRS</b> MCRS funeral benefit is \$4267 and is payable to both partnered members and single members.</p>

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# BEREAVEMENT PAYMENTS AND FUNERAL BENEFIT – VVAA SUBMISSION

## Funeral Costs

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**Basic funeral in Queensland**    The funeral costs of a very basic funeral in Qld is:

○ Burial	\$1525
○ Coffin	\$400
○ Celebrant	\$150
○ Death certificate etc	\$42
○ Funeral notice	\$76
○ Flowers	\$60
○ Burial plot	\$1725
○ <b>Total</b>	<b>\$3978</b>

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### **Anomalies**

These costs are based on a very basic funeral in the Caboolture Shire. Funeral costs are higher in the metropolitan area and on the last costing exercise conducted by the VVAA varied slightly from State to State for various elements, with the total of funeral costs being very similar throughout the eastern seaboard. Queensland costs, are if anything, the cheapest.

The cost a very basic cremation would be \$3078 with the same State-to-State variations but very similar total costs.

The funeral benefit is therefore clearly inadequate to ensure that a veteran is buried or cremated with dignity, and that the family is not financially embarrassed in achieving this.

The VVAA contends that if the historical rationale for the bereavement and funeral payments is different, then the two payments cannot be “offset”. Responses from government to the VVAA over the past few years concerning the increasing costs of funerals are always predicated on the totality of the funeral benefit and bereavement payments. This is clearly not the intent of the legislation, otherwise there would have been a single payment based on a single rationale.

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# **BEREAVEMENT PAYMENTS AND FUNERAL BENEFIT – VVAA SUBMISSION**

## **Recommendations**

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**Recommend-  
ations**

**6. The VVAA recommends that the Veterans Entitlements Review committee propose that government:**

- (a) provide unpartnered veterans with the same income support bereavement benefits as partnered veterans;**
  - (b) provide disability bereavement payment equal to 6 fortnightly payments to the estate of an unpartnered veteran;**
  - (c) increase the funeral benefit in line with the Military Compensation and Rehabilitation (MCRS) scheme;**
  - (d) discontinue the offsetting of funeral and bereavement benefits in the calculation of funeral benefits;**
  - (e) provide the same funeral benefit for unpartnered and partnered veterans;**
  - (f) introduce a mechanism whereby the funeral benefit keeps pace with increases in the cost of funerals.**
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