

Special Rate Disability Pension

Quick reference for IVA members and veterans' advocates

Key figures, the offset mechanism, the timing windows, and how and where to refer. Statutory figures current at the date shown. Client examples are de-identified and illustrative.

CONTENT UPDATED OCTOBER 2026 · INDEPENDENT TECHNICAL REVIEW PENDING

THE ESSENTIALS

What SRDP is, in five lines

- An alternative to ongoing incapacity payments under MRCA, not a top up. It is taken instead of something else.
- Paid for life while eligibility is maintained, tax free, and not assessed the way incapacity payments are for income support purposes.
- It is an election the client makes, not a determination handed down. The advocate's job is to protect the choice.
- It is effectively permanent. Incapacity payments end, and with them the rehabilitation and return to work architecture.
- The offer is open twelve months from the date on the letter, and the letter says so once, in passing. Limited extension powers exist under MRCA s201; do not rely on them.

NUMBERS TO CARRY IN YOUR HEAD

Key figures at a glance

ITEM	FIGURE	NOTE
Maximum SRDP rate	\$967.20 per week from 20 September 2026	Indexed. The starting point, before any offset is applied.
Energy Supplement	\$10.75 per week where payable	Payable with SRDP in some circumstances; combined \$977.95 where applicable.
Impairment compensation offset	Full weekly value of periodic PI compensation	Commonly the largest single reduction.
Commonwealth invalidity super offset	60 per cent of the statutory reduction (MRCA ss134 to 136)	Not 60 per cent of gross super. Applies to a Commonwealth superannuation invalidity pension.

ITEM	FIGURE	NOTE
Offer window	12 months from the letter date	Limited extension powers (MRCA s201). Treat the date on the letter as the deadline.
Incapacity payments cease	Age Pension age, currently 67	By operation of law, whatever the client's circumstances.

HOW THE RATE GETS TO NIL

The offset stack

LINE	EFFECT
Maximum SRDP rate	\$967.20 / wk from 20 September 2026
less permanent impairment offset	– PI weekly value
less VEA disability compensation offset	– where applicable
less Commonwealth super offset (MRCA ss134 to 136)	– where applicable
SRDP payable	any figure, including \$0.00

WHY NIL IS NOT NIL

Five reasons the underlying rate still matters

- Eligibility is separate from quantum. Established and reduced to nil is a foundation. Refused is not.
- The offsetting benefit is taxed differently. Two figures that net to nil on paper are not equal in the hand.
- Offset inputs are frequently wrong: impairment points, date of effect, invalidity classification, incapacity history.
- Nil today is not nil forever. Reclassification, review or correction makes the underlying rate matter.
- The enclosure is often the operative document, not the letter. Service pension estimates decide cases.

A large entitlement can be reduced to a small figure, or to \$0.00, and still be the better election. Electing a nil rate does not by itself create dependant benefits; those pathways carry their own eligibility conditions.

TIMING

The clocks that decide whether advice is even possible

WINDOW	WHAT IT IS	WHAT THE ADVOCATE DOES
Twelve month SRDP offer	The election expires twelve months from the letter date, with limited extension powers under MRCA s201. An unwell veteran does not experience month one as urgent.	Record letter date, date received and calculated expiry as three separate entries. Review at three, six and nine months.
PI election period	Where a permanent impairment election is also on foot, the choice generally must be made within six months of receiving the notice (MRCA s78), subject to extension and review.	Confirm the actual deadline on the notice itself, and diarise it the day the file opens.
Advice reimbursement	DVA may reimburse financial advice on PI and SRDP elections up to a statutory maximum of \$3,397.18 where the eligibility criteria are met.	Raise advice early. Eligibility, funding and any personal cost are confirmed in writing before work begins.

CHECKLIST

Reading the letter: six lines that move the number

- Eligibility statement. Reduced to nil, or refused? Only one is a foundation.
- Impairment points and lifestyle rating. Do they match the medical evidence on file?
- Date of effect. Earliest date the evidence supports, and the arrears that follow.
- Offset and reduction lines. Deducted under which provision? Each has a legal basis you can test.
- Incapacity payment history. Correctly calculated and correctly taxed?
- Treatment and card entitlement. Stated, or silent? Often the most valuable part of a nil determination.

DE-IDENTIFIED CLIENT FILES

Four outcomes that looked closed on paper

THE FILE	WHAT THE LETTER SAID	WHAT WAS ACTUALLY TRUE	RESULT
Nil/nil enclosure	SRDP payable after offsets sat below incapacity. Service pension estimate: \$0.00, four times.	Incapacity payments are assessable income and blocked the service pension. Electing SRDP dropped the household under the threshold.	Household income rose from day one.
The \$0.00 offer	SRDP payable assessed at exactly \$0.00 after super and impairment offsets.	A \$0.00 rate is still an election of SRDP, and eligibility established at nil kept dependant pathways open. Those pathways carry their own eligibility conditions.	A small amount forgone while the partner's potential pathways were preserved.

THE FILE	WHAT THE LETTER SAID	WHAT WAS ACTUALLY TRUE	RESULT
The age 67 cliff	SRDP below the incapacity rate. Read by the client as a pay cut.	Incapacity payments terminate by law at Age Pension age, months away. The higher figure was weeks from becoming \$0.00.	A permanent tax free floor where the alternative fell to nil.
The wrong offer	A payable rate comfortably above incapacity payments. Tax free, for life.	Mid twenties, single, no Commonwealth super, no means test problem, rehabilitation prospects. No lever applied.	Advice was to decline, in writing, with reasons on file.

Three levers decide most elections: a partner to protect, a household means test problem, and proximity to Age Pension age. Where none applies, declining can be the right outcome. The rate on the letter is rarely the deciding number.

REFERRAL

How and where to refer to a qualified financial planner

STEP	WHAT TO DO
When	As early as possible once a PI determination or SRDP offer arrives, and never in the last month of the twelve. Advice reimbursement may be available; confirm eligibility before work begins.
Who	An adviser on the ASIC Financial Advisers Register, authorised for superannuation and retirement income, with demonstrated MRCA and VEA experience. Ask how many SRDP elections they have modelled, and for the Financial Services Guide.
How	Offer more than one name where you can, in writing, and let the client choose and make contact. Record why you referred. Take no fee, commission or reciprocal arrangement of any kind.
What to send	With the client's written consent: the offer letter and every enclosure, impairment assessment and points, incapacity payment history, superannuation invalidity correspondence, household income and asset position, dates of birth.
Then	Stay on the file. Continue the advocacy, diarise the expiry, and confirm the written advice is on file before anything is signed.

YOU CAN AND SHOULD

Inside the advocacy role

- Explain what SRDP is, what the letter means and what the client should ask.
- Name the interaction points: impairment compensation, invalidity super, tax, age and stage, household means testing.
- Test the calculation, and diarise both windows in writing.

YOU MUST NOT

Where advice begins

- Say which option leaves this client better off. That is personal financial advice.
- Advise lump sum against periodic impairment compensation, or touch a superannuation benefit.
- Time a decision for tax reasons, or advise on tax at all.

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