

# Carer Adjustment Payment (CAP) Guidelines

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# Catastrophic event

## What is a catastrophic event?

A catastrophic event for the purposes of Carer Adjustment Payment (CAP) is where a child aged under 7 years is diagnosed with a severe disability or severe medical condition. The catastrophic event (diagnosis) must have caused an adjustment in the care arrangements that cause the family financial hardship that can be assisted by a one-off ex-gratia payment. Examples of catastrophic events may include (but are not limited to):

- diagnosis of a severe medical condition such as childhood cancer,
- childhood stroke,
- car accident,
- fire,
- fall,
- poisoning,
- near drowning, or
- other type of accident.

## Must the child have experienced a 'catastrophic' event in order to qualify their carer for CAP?

Yes.

## When should a CAP claim be lodged?

A claim for CAP must be lodged with the Australian Government Department of Human Services (Centrelink) within 2 years from the date of diagnosis of a severe medical condition or severe disability following the catastrophic event.

# Type of illness/ medical condition/ disability

## Are there specific medical criteria?

No. Every application for CAP is considered on a case-by-case basis. The diagnosis of a specific disability or medical condition, including congenital conditions, will not automatically preclude or guarantee eligibility for a CAP.

## What is a diagnosis?

A diagnosis is generally expected to be a conclusive statement in writing by a medical practitioner, paediatrician, psychiatrist, relevant medical specialist, general practitioner or multidisciplinary assessment team (at a minimum a psychologist and speech pathologist and may include an occupational therapist) of the child's medical condition or disability.

## What is the diagnosis date?

The earliest date a medical practitioner, paediatrician, psychiatrist, relevant medical specialist or multidisciplinary team (at a minimum a psychologist and speech pathologist and may include an occupational therapist) has provided a diagnosis of the child's medical condition or disability. Assessment reports are not used to establish a date, if it is obvious it is a review of a previous diagnosis.

## Can the date of grant of Carer Allowance be used as the diagnosis date?

There may be circumstances where medical reports cannot be obtained, or the claimant has nominated a date which seems unlikely. If Carer Allowance has been paid for the stated

medical condition or disability, the date of grant of Carer Allowance may be taken into account by the assessor to assist in determining the likely period in which the catastrophic event was diagnosed.

### **Has there been a change in care load when a child is diagnosed with a second condition?**

Where a child has an existing medical condition or disability and a new condition has been diagnosed, CAP is payable only where there has been a substantial increase in the level of care and support directly resulting from the newly diagnosed condition. A change in care load may be that the child may have to attend more appointments such as specialists, physiotherapy, speech therapy, chemotherapy, hospital visits, more/different medications, equipment, extra childcare for siblings etc.

## **Age of Child**

### **How old can the child be?**

A requirement of CAP is that the child being cared for is aged under 7 years when the catastrophic event occurs.

Claims can be lodged after the child turns 7, but the adjustment period must have commenced before the child turns 7.

## **Care Requirements**

### **Are there any specific care requirements in order for the carer to be eligible for CAP?**

A child would generally require continuous and intensive personal care and attention from the carer, in their own home or in hospital, for a minimum period of 2 months after the catastrophic event. There is no maximum time frame. As a guide the care would generally be provided for a significant period every day. The care required for the child would generally go beyond that required for a child of a similar age without a disability, medical condition or illness.

In addition, care could also include extended periods, i.e. blocks of time for treatment, e.g. for chemotherapy treatment. The focus is on 'intensity of care' and the impact on the family.

### **Must the care be provided in any specific location?**

Yes. The care must be provided by the carer either in hospital, or in a private home that is the residence of the carer and the child (except for periods where the child is in respite care).

## **Financial Need**

### **What is meant by very strong financial need?**

A requirement of CAP is that the carer is able to demonstrate a very strong need for financial support during the adjustment period after the catastrophic event. Generally this would mean that the change in the caring requirements following the catastrophe has significantly diminished or exhausted available funds and the family has no alternative means of meeting financial commitments.

Families will need to present their case by setting out their circumstances and the ways in which they need extra support in response to a catastrophic event and show they are undergoing a significant adjustment after the event.

This may include disruptions like capacity to work and/or care arrangements for the child or other children and/or the caring costs associated with medical treatments and interventions.

The assessor will make recommendations based on an assessment of financial need during the adjustment period.

To assist the assessor, claimants will be requested to provide on their CAP claim details of the following to assist in the assessment of financial need during the adjustment period:

- the catastrophic event (date/type),
- the illness/disability the child is suffering as a result of the event,
- the ways in which the family's life has been disrupted, that result in them warranting extra support (e.g. ability to work/care arrangements for other children),
- the additional, unanticipated, out-of-pocket adjustment costs that must be met as a result of the catastrophe, and general expenses,
- Details of income from employment/ self employment or investment income, and
- Details of any financial investments, including properties other than the family home, bank accounts, shares etc.

### **Are payments such as Helping Children with Autism package, Better Start for Children with Disability initiative and the National Disability Insurance Scheme considered when assessing a claim?**

Where the claimant claims expenses that these packages address, such as therapy for autism, this assistance may be taken into account in assessing the extent of financial need during the adjustment period.

### **Is paid parental leave classed as an income support payment?**

Paid Parental Leave is not considered an income support payment for CAP purposes. It is considered a continuation of employment income.

## **Adjustment Period**

### **What is the adjustment period?**

CAP is intended to assist families to adjust to changed or sudden caring requirements immediately following a catastrophic event. The adjustment period is generally the period of change from the previous caring arrangements for the child to the new caring regime following a catastrophic event. The payment is not designed to pay for ongoing, regular care requirements or for catastrophic events that occurred some time ago.

### **How long is the adjustment period?**

The adjustment period for the purposes of CAP is taken to be 12 months from the catastrophic event (diagnosis date). There might be instances where this period will be of a different duration and the assessor will take this into account in making a recommendation.

## **Eligibility**

### **Must the claimant be qualified for and receiving Carer Allowance (child) in order to qualify for CAP?**

Yes. The claimant must be the carer eligible for and receiving Carer Allowance payments in respect of the child.

### **What if the claimant is receiving one Carer Allowance for 2 children?**

If the claimant is only receiving a percentage of Carer Allowance for the child they are claiming a CAP for, the grant (if applicable) will reflect the amount of Carer Allowance received for that child.

**Must the claimant be qualified for & receiving Carer Allowance (child) in respect of the specific illness/injury/disability in order to qualify for CAP?**

No. The claimant must be qualified for and receiving Carer Allowance payments in respect of the relevant child that has had the catastrophic event. However, there will be cases where the claimant was already qualified for Carer Allowance in respect of an illness/injury a child suffered before the catastrophic event for which they are claiming CAP (for example a child born with Down Syndrome who develops Leukaemia at a later date).

**Can a carer's partner claim?**

No, only the carer who receives Carer Allowance for the relevant child can apply for CAP.

However, if the partner claims, to ensure no further burden is placed on the family, Centrelink will request the carer in receipt of Carer Allowance to complete a claim for CAP making reference to the existing claim lodged by their partner so that they do not have to repeat all responses to questions.

**Can a CAP claim be lodged by a Nominee?**

Yes. Under the principles of common law agency, people seeking to claim CAP can appoint another person to act for them when dealing with the Department of Social Services (DSS) or Centrelink (or other government department).

**Can a CAP claim be lodged by a carer who is not the natural / adoptive mother or father?**

Yes. If a person is the principal carer of the child and if the child is considered to be the carer's dependent child and where:

- the carer is receiving Carer Allowance in respect of the child;
- there is a primary and ongoing care relationship between the carer and child;
- the child has significant care requirements – requires full time care from the carer for a minimum of two months (or for extended periods) following the event; and
- the care is provided in the home of the carer and the child, or the care is provided in a hospital setting

Examples may include but are not limited to, where:

- formal foster care is being provided, defined as care mediated by a state or territory welfare authority, and
- informal foster care is being provided, where a relative (including kinship arrangements) or friend assumes care of a child in a private arrangement.

The assessor may ask for clarification of the level of assistance a foster carer is otherwise receiving if this is not included in the claim.

**Is CAP available to people who qualify for Carer Allowance Health Care Card, but not Carer Allowance itself?**

No. A primary qualification criterion for CAP is being in receipt of a Carer Allowance payment. Carer Allowance customers who receive a Health Care Card only, are not eligible for CAP.

**Are there residence requirements?**

Yes, claimants must have already met the residency requirements for Carer Allowance under the *Social Security Act 1991*.

**How will proof of identity be determined?**

Centrelink deals with proof of identity issues. If the claimant is receiving Centrelink payments, proof of identity has been established. The 'Proving your Identity to Centrelink Form' details documents required as proof of identity and can be found on the Department of Human Services website.

**Who will make the decision if the claimant qualifies for a CAP?**

All eligible applications will be considered by a DSS assessor. The DSS assessor will provide a recommendation to a senior officer in DSS. The recommendation will be considered and a final determination made by a DSS senior officer.

**Is CAP available to carers who may/have met the costs of adjustment through insurance (eg health, accident or travel insurance)?**

Yes. However, all cases will be considered on a case by case basis and the level of payment provided will be based on an assessment of the family's financial need in the adjustment period.

**Is CAP available to carers who may/have met the costs of adjustment through compensation payments?**

Yes. However, all cases will be considered on a case by case basis and the level of assistance provided will be based on the family's financial need in the adjustment period.

**Can a claimant receive CAP if their child passes away?**

Yes. A CAP may be payable in this situation. Any payment would be based on the need for financial support in the period between the diagnosis of the catastrophic event and the child passing away. The claimant must have been in receipt of Carer Allowance in respect of the child.

## **Income Support Payments**

### **Is CAP available where carers or their partners are in receipt of some form of income support payment?**

To be eligible for CAP, neither the claimant nor their partner can be receiving an income support payment during the whole adjustment period, which is 12 months from the date of event.

If the claimant or their partner is eligible for, and receiving an income support payment such as Carer Payment, Parenting Payment, Disability Support Pension, Age Pension, and Newstart Allowance, note – this list is not exhaustive, they already have access to ongoing financial assistance and other benefits, such as a concession card.

Income support payment is defined under section 23(1) of the *Social Security Act 1991* and means a payment of:

- (a) a social security benefit, or
- (b) a job search allowance, or
- (c) a social security pension, or
- (d) a youth training allowance, or
- (e) a service pension, or
- (f) income support supplement, or
- (g) Exceptional Circumstances Payments (ie drought assistance).

Information on income support payments administered by Centrelink is available through 'A Guide to Australian Government Payments' Link on the Centrelink website.

Income support also includes payments by Department of Veterans Affairs (which can be paid 5 years earlier than the age pension). These include:

- Age Service Pension,
- Service Pension, similar to age pension and disability support pension paid by Centrelink;
- Partner Service Pension, and
- Income support supplement paid to eligible war widows/widowers.

If during the adjustment period there were periods where the claimant and/or their partner were not receiving income support payments they may be eligible for CAP.

### **Is CAP available to people who are qualified for an income support payment but it is not payable because they would get a nil rate due to income or assets?**

Yes. Claimants receiving a 'nil' rate of income support during the adjustment period may be eligible for CAP.

### **What happens if the carer or partner has not been continuously on income support payments?**

The assessor will only consider CAP assistance in respect of the adjustment period/s that the claimant (and/or partner) was not in receipt of income support.

If a claimant or partner receives an income support payment for part of an adjustment period, then the assessor will:

- assess whether the claimant may be eligible for CAP during the period when they were not in receipt of income support; and
- determine the quantum of CAP based on the family's overall circumstances in relation to financial need.

Example 1: The catastrophic event is 1 April 2015, claimant started receiving income support payments on 1 June 2015. There is a two month window where the claimant is not in receipt of an income support payment and might be eligible for a CAP grant as the claimant is still in an adjustment period.

Example 2: The catastrophic event is 18 May 2015, the claimant started receiving income support payments from 18 May 2015. Income support payments ceased on 15 August 2015, the claimant then went back onto income support payment on 20 January 2016 to 1 June 2016. There is a 5 month window where the claimant was not in receipt of income support payments i.e. from 16 August 2015 to 19 January 2016 and might be eligible for a CAP grant as the claimant is still in an adjustment period.

**Is CAP available to people who receive only a part-rate of income support?**

No. Anyone receiving income support, regardless of the amount of payment (other than 'nil'), is ineligible for CAP. CAP cannot be paid for any part of the adjustment period during which a claimant or their partner is in receipt of Carer Payment or any other income support payment.

**Must the carer have tested their eligibility for some form of income support payment?**

CAP is only available to carers where neither they nor their partner is qualified for, and receiving, any form of income support payment during the adjustment period.

If the declared income (carer and partner) is clearly above the prescribed Carer Payment and income support payment (including Parenting Payment) limits, then for the purposes of CAP, they will be considered to be ineligible for an income support payment.

Should there be any doubt that the claimant and/or their partner may be eligible for income support payments during the adjustment period, they will be offered the opportunity to test their eligibility to either Carer Payment (child) or other income support payment. If a claimant does not pursue their eligibility to an income support payment during the adjustment period their claim for CAP will be rejected on the basis that sufficient information has not been provided to enable their CAP claim to be assessed.

Where a claimant is receiving a 'NIL rate' of payment it will be deemed they are **NOT** in receipt of income support payments.

Note: One-off payments such as disaster relief payments, do not affect entitlements.

**Can a carer claim Carer Payment or another income support payment if they receive a CAP?**

Yes. CAP is paid on the basis of the claimant's circumstances at the time of adjustment. If these circumstances later change, and the carer becomes eligible for Carer Payment or other income support as a result, they can be granted that payment.

**Overseas**

**Is CAP payable to a carer where the catastrophe occurred overseas, and the carer lodges a CAP claim while overseas?**

No. The standard residency requirements apply. CAP is only payable to permanent residents of Australia, and claims must be lodged in Australia.

**Is CAP payable to a person where the catastrophic event occurred in Australia, but the claimant has gone overseas to seek specialist medical treatment?**

Yes. However, all claims must have a permanent Australian address as recorded by Centrelink.

**Is CAP payable where the catastrophic event occurred overseas but the claimant and child move/or return to Australia?**

Yes, but part of the adjustment period must have occurred while the claimant and child are living in Australia. Only the period of adjustment in Australia can be taken into account.

**Multiple events, more than one child**

**If more than one child in a family is injured in the same catastrophic event (eg car accident), is more than one CAP payable?**

Yes, provided each child and the family meets all of the eligibility criteria more than one CAP can be paid to the family.

**If a family experiences more than one catastrophic event for a child, is more than one CAP payable?**

Yes, but only if there are two adjustment periods and a significant change in the care load for the child.

**Are two CAPs payable if the parents are separated and sharing care?**

Yes. But each party would have to apply in their own right. As with all claims, the level of assistance will be based on their individual circumstances. The shared care arrangements would be one of the issues taken into consideration when determining the amount payable. This is consistent with existing provisions for the payment of Carer Allowance.

**Review**

**What review mechanisms are available?**

A claimant can have the decision for their CAP application reviewed. A request for review should be provided to Centrelink in writing within 13 weeks of the date of the original decision. A written request provides the claimant with an opportunity to clearly outline the reasons why they believe the decision to be incorrect and also to provide any further information and supporting documentation to be considered.

*Please note: DSS does not have the authority to overturn decisions where Government eligibility for CAP is not met, such as age of child, customers claiming who are already receiving income support, etc.*

**Additional Information**

**Can the assessor seek additional information about claimants if required?**

**Yes. The assessor can seek additional information about a claimant's circumstances through the Department of Human Services or directly via the claimant.**

**How long will the claim take to process?**

If all the necessary information is provided when the claim is lodged, a response from Centrelink should be received within 12 weeks.

**When will the payment be made?**

It is expected that payments will be made by Centrelink between one and three working days of receiving notice of decision from DSS.

**Is CAP means tested?**

The family's overall financial circumstances will be taken into account in determining the appropriate level of payment. The claimant must be in strong financial need.

**Is there a fixed rate of CAP?**

No. CAP will be paid at different rates depending on the person's need for support and the extent of the adjustment period. The maximum amount payable is up to \$10,000 for each catastrophic event.

**How will the rate of CAP payable be determined?**

The assessor will examine each case and determine a level of assistance from nil to \$10,000. The recommendation will be considered and a final determination made by a DSS senior officer.

**Is CAP taxable?**

No. Ex-gratia payments are not taxable.

**Will CAP be indexed?**

No.

**How will CAP be paid?**

CAP will be paid as a single lump sum direct into a claimant's Australian bank account. It will be the same account that the Carer Allowance is paid into.

**Are there any circumstances where CAP may need to be recovered?**

Recovery is possible in cases of administrative error.