

Financial support: helping Reserve service by health professionals

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WHEN HEALTH PROFESSIONALS serve part-time in the Army, Navy or Air Force Reserves, they make a very important contribution to Australia's national defence. Because of this, a number of different financial support arrangements have been established to help employers and self-employed Reservist health professionals. However, the existence of different support arrangements can itself be confusing.

This article provides a simple guide to the three financial support arrangements for employers and self-employed Reservist health professionals:

- standard payments under the Employer Support Payment (ESP) Scheme;
- higher level ESP payments under the Chief of Defence Force (CDF) Approval; and
- Civil Practice Support Allowance (CPSA) payments.

Note: This article has been written by ESP Scheme staff. Although I believe the information on CPSA is accurate, I do not have any responsibility for CPSA.

Employer Support Payment Scheme

To encourage employer support for Reserve service, the government launched the ESP Scheme in 2001. The scheme pays employers when their Reservist employees are absent on Defence service. It also pays self-employed Reservists, including health professionals.

ESP payments are taxable and must be declared on the appropriate tax return. Details on how to claim and where to obtain further advice are provided in Box 1.

Standard payments under the ESP Scheme

Subject to meeting eligibility criteria, employers and self-employed Reservists are entitled to weekly payments based on average weekly adult ordinary time earnings — currently \$1035.90 per week for financial year 2006–07. This payment figure is adjusted annually.

Higher level payments can be made when a claimant has suffered substantial financial hardship or loss as a result of the

Abstract

- ◆ There are three different financial support arrangements for employers and self-employed Reservist health professionals:
 - standard payments under the Employer Support Payment (ESP) Scheme;
 - higher level ESP payments under the Chief of Defence Force (CDF) Approval; and
 - Civil Practice Support Allowance (CPSA) payments.
- ◆ If submitting a claim for a higher level ESP payment under the CDF Approval, there is no point in submitting a claim for a standard ESP payment.
- ◆ Any Reservist entitled to CPSA should claim it, as any higher level ESP payment will be reduced by the amount of the CPSA entitlement, whether or not it is claimed.
- ◆ ESP payments are taxable and must be declared on the appropriate tax return.

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Reservist employee's Defence service. These payments are different from higher level ESP payments under the CDF Approval and are not covered further in this article.

Payment is available after completion of an initial 2-week qualifying period each financial year. To qualify for payment, periods of service must generally be 5 or more continuous days.

Doctors receiving CPSA payments for a period of service are not entitled to standard ESP payments for the same period of service.

Claimants who are entitled to higher level ESP payments under the CDF Approval for a period of service do not get any additional standard ESP payment for that period of service. So, if submitting a claim for a higher level ESP payment, there is no point in also submitting a claim for a standard ESP payment. If a standard ESP payment is made, this amount will be offset from any subsequent higher level ESP payment under the CDF Approval.

Higher level ESP payments under the CDF Approval

Because of the importance of health professionals for ADF activities, the ESP Scheme pays higher benefits when most health professionals undertake many types of Defence service. These higher level ESP payments are made under a CDF Approval.

Eligible service includes:

- service on or directly in support of an ADF operation;
- service on or directly in support of an ADF training exercise, activity or course;
- service on a naval ship deployment; and



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I How to claim

Standard Employer Support Payment (ESP)

- An employer must submit form AD 138-1.
- Self-employed Reservists must submit form AD 138-2.
- Forms should be submitted to an approving ESP delegate.
- Claims must be submitted within 6 months of the first day of service being claimed.
- Forms and details of delegates are available at <http://www.defence.gov.au/reserves>.

ESP payment under Chief of Defence Force (CDF) Approval

- An employer must submit form AD 138-3.
- Self-employed Reservists must submit form AD 138-4.
- Forms should be submitted to Director ESP Scheme.
- Forms and submission address are available at <http://www.defence.gov.au/reserves>.

Civil Practice Support Allowance

- A Reserve medical officer must submit form AD 387 to Fleet Medical Officer for Navy, COL Health for Army and OC Health Support Wing for Air Force. Address details are on the CPSA claim form.
- Any queries on CPSA should be raised with the CPSA delegates (Fleet Medical Officer, COL Health or OC Health Support Wing).

Further advice

For general information on the ESP Scheme, see the ESP section of the Defence Reserves website at <http://www.defence.gov.au/reserves>, phone the Defence Reserves helpline on 1800 803 485, or email esp@defence.gov.au. For information on higher level payments under the CDF Approval, look under "Claims under CDF Capability Provisions" on the Defence Reserves website, phone Director ESP Scheme staff on 1800 001 696, or email esp@defence.gov.au.

2 Payment levels*

Disciplines	Weekly payment
Dermatologist, General surgeon, Intensivist, Neurosurgeon, Obstetrician and gynaecologist, Ophthalmologist, Orthopaedic surgeon, Ear nose and throat specialist, Radiologist	\$5600
Anaesthetist, Dentist, Emergency medicine specialist, General physician, General practitioner, Paediatrician, Psychiatrist, Public health physician, Tropical medicine specialist	\$4500
Accident and emergency nurse, Aeromedical evacuation nurse, Intensive care nurse, Mental health nurse, Midwife, Paediatric nurse, Perioperative nurse, Registered general nurse	\$3150
Pharmacist, Physiotherapist, Psychologist, Radiographer, Scientific (laboratory) officer	\$2350

* Payment levels are for full-time employment, and are adjusted pro rata for part-time staff.

- service providing civil aid, humanitarian assistance, disaster relief, assistance in a medical or civil emergency, or the provision of other medical support, for which the officer's service has been authorised by the Head Defence Health Service (HDHS) or Surgeon General (SGADF).

After completing the 2-week qualifying period each financial year, higher level ESP payments are backdated to the first day of eligible service (ie, higher level ESP payments are made for qualifying period service). This is different to how the qualifying period applies to standard ESP payments.

Doctors receiving CPSA payments for a period of service may also be entitled to higher level ESP payments under the CDF Approval for the same period of service (this is different from standard ESP payments).

Payments are as high as \$5600 per week for many health specialists, and are set at \$3150 per week for most nursing categories (Box 2). For a hospital nurse undertaking a 6-month deployment, this can mean more than \$80 000 in ESP payments that the employing hospital can use to hire replacement nurses to cover the absence (or for any other purpose).

When a Reservist health professional has more than one employment arrangement (eg, a doctor employed in a public hospital but also exercising a right of private practice), both the employer and the self-employed Reservist may claim higher level ESP payments.

To qualify for payment, periods of service must generally be 5 or more continuous days. Under the CDF Approval, higher level payments can also be made when a claimant has suffered substantial financial hardship or loss.

A simplified method of claiming has been provided for self-employed Reservists with a bona fide functioning civil medical practice. These claimants do not need to provide supporting evidence (but it will assist speedy processing of the claim if copies of Defence documents relating to the Defence service are provided). They should simply submit the completed claim form, and the Director ESP Scheme will obtain certification of eligibility for higher level ESP payments from HDHS/SGADF.

Civil Practice Support Allowance

CPSA is payable to Reserve medical officers who have a functioning civil medical practice and are assigned on short periods of continuous full-time service with a deployment. The period of service must be for at least 2 weeks, unless the CDF's delegate approves payment for a shorter period. The CPSA rate is \$1600 per week.

If you are entitled to claim CPSA, you should do so. Any higher level ESP payment will be reduced by the amount of the CPSA entitlement (regardless of whether you have submitted a claim for CPSA). So, if you do not claim CPSA, you will miss out, because your ESP payment will still be reduced.

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