

**Employer Support Payment Scheme  
Advisory Notice**

**CDF Capability Approval – Relationship between  
CPSA and ESP**

Last Updated 19 Jun 13

ESPS Advisory Notices provide advice or more detailed explanations concerning aspects of the Employer Support Payments Scheme (ESPS).

**ADVICE**

Under the CDF Capability Approval signed on 1 January 2013, service on or directly in support of an ADF operation remains eligible service for Higher Level ESPS payments for medical officers within certain specialisations for their employers.

**Eligible Service**

To be eligible, the duration of the service must be five consecutive days or more (including the time spent travelling to and from the place of duty). Special arrangements also apply when public holidays precede or follow the period of service. AME is the only exception to the *minimum of five consecutive* days requirement. In these cases the minimum period of service is three consecutive days.

The following service is automatically eligible under the CDF Approval:

- service on an ADF operation;
- service undertaking pre-deployment training for an ADF operation;
- service related to an AME;
- service on a training exercise (whether an ADF exercise or a foreign/combined exercise with ADF participation);
- service on a training course (whether an ADF course or a foreign/combined course with ADF participation), including:
  - (a) as a student, instructor, officer conducting, or
  - (b) as a health officer supporting delivery of the course;
- service as part of the Return to Australia Psychologist Screening (RTAPS) program,
- service as part of the Post Operation Psychologist Screening (POPS) program,

- service as part of the Army Aboriginal Community Assistance Program (AACAP),
- service as a Health Officer required for duty on an Australian Navy Cadet (ANC), Australian Army Cadet (AAC) or Australian Air Force Cadet (AAFC) camp or training,
- service on a naval ship deployment (whether a RAN or foreign ship).

The following service will become eligible service under the CDF Approval if it is authorised by CJHLTH or SGADFR, providing:

- (a) civil aid,
- (b) humanitarian assistance,
- (c) disaster relief,
- (d) assistance in a medical or civil emergency,
- (e) provision of other medical support or other duty, or
- (f) other training opportunity.

This advice will deal specifically with the entitlement of self employed Reservists.

### **Definition of a Medical Officer**

Recent evidence indicates that some delegates have adopted a broader definition of 'Medical Officer' to facilitate CPSA claims. The definition of 'Medical Officer' is given in the Pay and Conditions Manual (PACMAN), as a member who is a registered medical practitioner under the law of a state or territory, serving in the health branch, or serving in another position for career progression/management. A Medical Officer is therefore distinct from other health professionals, such as dentists, psychologists and nurse/midwives who are listed under other health related registrations. For the purpose of this Advisory Notice, a Medical Officer is assumed to be a medical doctor, either unspecialised or of any specialisation.

### **Civil Practice Support Allowance (CPSA)**

Members are entitled to receive CPSA if they have a functioning civil medical practice and they are rendering short periods of continuous full-time service in support of specified ADF operations on deployment.

Medical officers are still encouraged to claim both CPSA and ESPS payments when they are entitled.

### **Impact of CPSA**

When a medical officer is entitled to CPSA payment for a period of service, the amount payable to the employer (under the classes of health

specialisations and payment rates) is to be reduced by the amount of CPSA that is payable. When the medical officer is employed in an employment arrangement where the medical officer is employed by an employer (such as a hospital) but also exercises a right of private practice, then the reduction is to be applied only to that payment that is payable to the medical officer. Should such a reduction reduce the amount payable to the medical officer to a negative figure, then the negative figure is to be disregarded and the amount payable to the medical officer is taken to be zero.

**Example:**

*LTCOL A is a General Surgeon with a full-time functioning civil medical practice. He undertakes a 71 day (10.2 week) deployment to Afghanistan (OP SLIPPER). This Approval provides a payment rate of \$7,600.00 per week (for FY 2012/13) for full-time General Surgeons. However, LTCOL A is also entitled to CPSA for his deployment so he will receive an ESPS payment reduced by the CPSA payment (this is calculated as the number of days served x the daily rate of CPSA, which is  $\$1,600/7 = \$228.5714$  per day). This will provide a reduced ESPS rate of \$6,000.00 per week ( $7,600.00 - 1,600.00$ ). The actual amounts LTCOL A will receive for the 10.2 week deployment are:*

- *\$62,000.00 in ESPS payments ( $\$6,000.00 \times 10.2$ ), and*
- *\$16,228.57 in CPSA payments ( $71 \times \$228.5714$ ). Please note that CPSA payments may be taxable. When taxable, the Defence Force Pay Accounting Centre will deduct a component of the payment to meet the tax liability (so in these cases, the member will not get \$1,600.00 per week CPSA payment in their bank account).*

The following scenarios should assist with understanding entitlements.

**1. Serving in an operational area on a deployment**

If the Medical Officer has a functioning civil medical practice, CPSA should be claimed.

Under the 1 January 2013 CDF Approval, if the member has a bona fide functioning civil medical practice, and deployed on an operation for a period of 2 weeks or more, you should claim CPSA.

Any entitlement to CPSA (or earlier payment of standard ESPS payment for this period of service) will be discounted from the payment. Discount is based on entitlement to CPSA. If a member is entitled to CPSA, the discount will apply – regardless of whether the member has claimed the CPSA or not.

Payment is only made after a Qualifying Period has been completed, but is then backdated to Day 1.

Unless the member is serving in an operational area on a deployment, there is no entitlement to CPSA. Except when serving under these circumstances, the

amount of Higher Level ESPS payments the member is entitled to receive should not be reduced.

**2. Service on or directly in support of a training exercise, activity or course, on a naval ship deployment, or providing another type of service (as listed above) which has been authorised by CJHLTH or SGADFR**

CPSA cannot be claimed.

Under the 1 January 2103 CDF Approval, Higher Level ESPS payments should be claimed for these types of service.

As CPSA is not payable for these types of service, no discount will be made to the payment (although any earlier payment of standard ESPS payments will be offset from the member's entitlement to Higher Level ESPS payments).

Payment is only made after a Qualifying Period has been completed, but is then backdated to Day 1.

**3. Other service (Not covered in the previous two scenarios)**

CPSA cannot be claimed.

There is no entitlement to Higher Level ESPS payments under the 1 January 2013 CDF Approval. Standard ESPS payments should be claimed (but these are only payable for service after the Qualifying Period has been met – no back-dating to Day 1).

**Further queries**

If ESPS staff have any queries about this topic, they are encouraged to ring the ESPS Directorate on 1800 001 696.