

Financial Advice

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Policy

1. Purpose

- 1.1 This Policy provides guidance on administering entitlement to Financial Advice under the Veterans' Support Act 2014.

2. Legislative Reference

- 2.1 The relevant legislation is section 157 of the Veterans' Support Act 2014 (the Act) and regulation 41A in the Veterans' Support Regulations 2014.

3. Purpose of Financial Advice

- 3.1 The purpose of Financial Advice is to provide assistance to eligible persons who have received a lump sum payment to enable them to make an informed decision about investing their lump sum payment.

Section 157 of the Veterans' Support Act 2014

4. Eligibility for Financial Advice

- 4.1 Veterans' Affairs must provide or meet the cost of providing eligible persons with financial advice from an authorised financial adviser under the Financial Advisers Act 2008.

Section 157 (1) of the Veterans' Support Act 2014

- 4.2 The entitlements that are eligible for financial advice include:
- a. Lump sum payments payable under section 98 (Scheme Two lump sum payment for permanent impairment)
 - b. Aggregated payments payment under cl 55 of Schedule 2 (Scheme Two weekly compensation for surviving spouse or partner)
 - c. Any other payment under the Act that is specified in Regulations (no other payment is presently specified)
- if the payment is equal to or greater than the **prescribed threshold**.

Section 157 (1) of the Veterans' Support Act 2014

- 4.3 The **prescribed threshold** is \$15,000 and is set in Regulations. Any person receiving an entitlement listed in 4.2 that resulted in a payment of at least \$15,000 will be eligible for financial advice.

Section 157 (1(b)) of the Veterans' Support Act 2014 and Regulation 41A(2) of the Veterans' Support Regulations 2014

- 4.4 The financial advice must be for the purpose of enabling the **veteran** to make an informed decision about investing the lump sum.

Section 157 (2) of the Veterans' Support Act 2014

5. Extent of Financial Advice

- 5.1 The maximum amount Veterans' Affairs will contribute towards the provision of Financial Advice is \$1,500. Veterans can apply once for every eligible lump sum amount they receive.

6. Applications for Financial Advice

- 6.1 Applicants must apply for Financial Advice within six months of being advised in writing that they have been awarded an eligible lump sum payment. Applicants must provide Veterans' Affairs with the correct, signed application form and supporting evidence if they are claiming a reimbursement. Financial advice can only be paid once the eligibility criteria are found to be met.
- 6.2 Veterans' Affairs is to make a decision on whether it will award costs for financial advice as soon as practicable.

7. Provision of Financial Advice

- 7.1 Financial advice can be provided in two ways:
- a. Arranged and paid by Veterans' Affairs. Claimants can contact Veterans' Affairs and request that an appointment be made.

Veterans' Affairs will arrange an appointment with an accredited provider on the claimant's behalf.
 - b. Claimants can arrange to see a financial adviser of their own choosing and seek a reimbursement from Veterans' Affairs. Veterans' Affairs will reimburse if the eligibility criteria set out in sections 4 and 6.1 have been met.

Veterans' Affairs will reimburse up to the maximum amount payable under section 5.1. The claimant will need to provide evidence that the advice provided was:
 - in regards to their lump sum payment (this should be noted on the invoice) and
 - given by an authorised financial adviser (this should also be noted on the invoice).

8. Claimants living overseas

- 8.1 Claimants living overseas will be able to access financial advice through a locally registered financial adviser in their country of residence.

9. **Reviews and appeals**

For questions about eligibility for an entitlement or service see separate policies on **Reviews and Appeals**. For questions about Veterans' Affairs' administration of the entitlement or service see separate policy on **Complaints**.

Glossary

member of the armed forces [section 7]

Means a person who is or has been a member of the New Zealand armed force raised by the Governor-General on behalf of the Sovereign,—

- (a) whether in New Zealand or elsewhere; and
- (b) whether before or after the passing of this Act.

qualifying operational service [section 8]

Means—

- (a) service in any deployment treated as a war or emergency for the purposes of the War Pensions Act 1954; or
- (b) service on any deployment declared to be operational service under section 9.

qualifying routine service [section 8]

Means service in the armed forces before 1 April 1974 that is not qualifying operational service.

qualifying service [section 8]

Means—

- (a) qualifying operational service; or
- (b) qualifying routine service.

veteran [section 7]

Means—

- (a) a member of the armed forces who took part in qualifying operational service at the direction of the New Zealand Government; or
- (aa) a member of the armed forces who took part in qualifying routine service before 1 April 1974; or
- (b) a person:
 - (i) who has been:
 - (A) appointed as an employee of the Defence Force under section 61A of the Defence Act 1990; or
 - (B) seconded to the Defence Force with the permission of the Chief of Defence Force; and
 - (ii) who took part in qualifying operational service at the direction of the New Zealand Government; or
- (c) a person who, immediately before the commencement of Part 3 of this Act, is eligible for a pension under the following provisions of the War Pensions Act 1954:
 - (i) section 19 (but only if the person was a member of the forces);
 - (ii) section 55 or 56;
 - (iii) Parts 4 and 5.