

Continuity Education Allowance Dec 1, 2024 rates updated. Frequently Asked Questions

I submitted my CEA claim on to JPA when the CEA claims window opened on 28 October and before the announcement that the CEA rate would be recalculated. Will I get the new rate? Do I or my Unit HR need to take any further action?

You will receive the new rate – no further action is required by service personnel (SP) or Unit HR.

For those claims already submitted, payroll will generate a revised payment of the new (1 December) capped rate automatically, without the requirement for any changes to the element entry data already submitted and approved.

What methodology is being used to calculate the CEA rates for 1 Dec 2024?

Rates are calculated by reference to the school fees published by the most popular schools used by CEA claimants which account for 75% of the child CEA population.

A weighted average of fees is then calculated which is reduced by 25% to reflect a combination of the average discount offered to CEA claimants (15%) and the CEA parental contribution (10%).

This generates the recommended CEA rates, which are subject to usual budgetary considerations before publication.

State boarding schools will be unaffected by the introduction VAT from January 2025. Are they being included in this recalculation?

Yes – as the methodology of the CEA calculation is based on the schools most used by CEA claimants (including state boarding schools) they must be included to provide an accurate CEA rate based on the average school fees that claimants of the allowance will be paying.

CEA claimants use both independent and state boarding schools, choice of school and choosing the right school for a child are fundamental aspects of CEA. This personal choice that claimants have means that every claimant of the allowance has a unique and individual situation regarding the fees they are charged. The methodology has been designed to take this into account and provide an average across all the schools most used for CEA, whether they be independent or state boarding schools, providing fairness to all those claiming the allowance, as well as the public purse.

It has been noted that state boarding schools as of January 2025 will be exempt VAT and future treatment of these schools within the CEA rate calculation will be further considered in advance of the August 2025 release of rates.

Did MOD get all the January 2025 fees required to recalculate the rate?

The recalculation exercise applied existing CEA policy and MOD were able to obtain the January 2025 school fees for over 90% of the schools used in the calculation. For those schools where fees weren't published on time the average increase in school fees was applied.

The exercise discovered there was a wide variation in approaches that are being taken by schools at this time, ranging from no increase to a 20% increase in school fees.

My school is only passing on some of the additional VAT costs in Jan 2025 and will re-assess and likely include an additional amount of the VAT impact in the Sep 2025 term fees. How is this going to be reflected/offset in the CEA Allowance?

The CEA rating cycle for the academic year 2025 to 2026 will continue to be conducted in August in advance of the beginning of the new academic year in September 2025, and will account for any increase in fees that will take effect in the new academic year.

Non-CEA claimants are affected by the VAT on private schools too, how will these SP be supported?

The MOD provides CEA to SP to minimise the disruption to their children's education caused by Service commitments involving frequent moves of the family home. Their circumstances must fit within specific regulations as laid out in JSP 752, Chapter 14, especially around accompanied Service and family mobility.

Where a SP does not meet the eligibility criteria as laid out in JSP 752 and has made a personal choice to use a private school for their child's education, the MOD is not involved.

Why is an exemption to the Private School VAT increases not being offered to Military Families?

The government has confirmed there are no exemptions from this policy.