

reduced by \$864.68 (i.e. \$20,000 divided by 23.13 which is the average life expectancy of a male aged 50).

TABLE III
Commutation of retirement pay: expectation of life factor

Age (in yrs) at date election received	Factor		Age (in yrs) at date election received	Factor	
	male	female		male	female
31	40.18	45.53	46	26.51	31.48
32	39.25	44.57	47	25.65	30.58
33	38.31	43.61	48	24.80	29.69
34	37.38	42.65	49	23.96	28.80
35	36.45	41.70	50	23.13	27.92
36	35.51	40.75	51	22.31	27.05
37	34.59	39.81	52	21.51	26.18
38	33.67	38.86	53	20.72	25.32
39	32.75	37.92	54	19.94	24.47
40	31.84	36.99	55	19.18	23.63
41	30.93	36.06	56	18.43	22.79
42	30.03	35.13	57	17.70	21.96
43	29.14	34.21	58	16.99	21.13
44	28.25	33.29	59	16.29	20.32
45	27.38	32.38	60	15.60	19.51

Commutation does not reduce the pension which would otherwise be payable to a widow, widower, or children if such pensions become due (see Item 6).

6. Benefits Payable to Widows, Widowers and Children

On the death of a retired member in receipt of retirement pay pensions are payable to eligible dependants of the retired member. In normal circumstances, eligible dependants would be a widow, or a de facto wife, or a dependent widower, and each child of the retired member who is under 16 years of age or under 25 years of age in the case of a full-time student.

The benefits payable to eligible dependants are:

- to a widow, de facto wife or widower, a pension

calculated at the rate of five-eighths of the retirement pay entitlement that was payable to the retired member;

- to each child (other than an orphan), a pension of \$312 per annum plus one-sixth of the pension payable to the widow, de facto wife or widower;
- to each orphan child, a pension of \$702 per annum plus one-eighth of the pension that would have been payable to the widow, de facto wife or widower.

A brochure entitled *Widows', Widowers' and Children's Benefits*, which sets out the provisions in more detail, is available on request from the Authority.

If on the death of a retired member in receipt of retirement pay, a pension is not payable to an eligible dependant, a refund of contributions to the D.F.R.D.B. Scheme plus a lump sum equal to one-half of those contributions less any retirement pay received by the retired member, is payable to the retired member's personal representatives.

7. Completion of Life Certificates

Periodically surveys are undertaken of all persons in receipt of retirement pay, invalidity pay and pensions under the D.F.R.D.B. Scheme. When a survey is being conducted, a Life Certificate is despatched to each person involved. The questions on the certificate must be answered and documentary evidence supplied where indicated. The certificate should be completed and returned within 14 days of receipt to the Office of the Authority, otherwise payment of retirement pay may be affected.

8. Review of Decisions of The Authority

A person dissatisfied with an administrative decision of the Authority, may request the Authority to reconsider the case. The request should be made in writing to the Authority stating reasons for disagreement with the decision and should be made within 30 days from the date the decision first

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designated for the rank held immediately before retirement, the retirement pay entitlement shown in Table I is reduced by 3% of the amount of retirement pay for each year by which the officer's age last birthday on retirement is less than the appropriate notional retiring age. The notional retiring ages applicable to Army Officers and equivalent ranks in Navy and Air are as follows: Major and below 42; Lt. Colonel 45; Col. and Brigadier 50; Major General 52; Lt. General and General 55.

TABLE II

Retirement pay: late entrant officers and other ranks who have completed less than 20 years but more than 15 years effective service and have attained the retiring age for their rank.

<i>Total number of years effective service completed</i>	<i>Retirement pay as a percentage of pay at date of retirement</i>
15	30.00
16	31.00
17	32.00
18	33.00
19	34.00

Retirement pay is adjusted annually as are other pension benefits payable under the Scheme.

DETRIMENT

In the case of certain officers who were transferred from the previous D.F.R.B. Scheme to the Defence Force Retirement and Death Benefits Scheme with effect from 1 October 1972, the retirement pay available on discharge will be less than the retirement pension, expressed as a percentage of pay, which was applicable at 30 September 1972 under the previous D.F.R.B. Scheme. Accordingly, if an officer has fulfilled the conditions for eligibility and is in such a detrimental situation, that officer may elect, within ninety days after retirement, to receive retirement pay based on the higher rate. In these cases, the officer will be required to pay an

additional contribution on retirement of an amount to be determined by the Authority.

3. Method of Payment

Retirement pay is paid fortnightly by either:

- cheque, or
- direct credit to a cheque account at a bank (but not to a joint account or special purpose account).

All payments are made on behalf of the Defence Force Retirement and Death Benefits Authority by the Director, Department of Social Security in each State. In the Northern Territory and the A.C.T., payments are arranged through Commonwealth Sub-Treasuries, Darwin and Canberra, respectively. These Offices act as the Authority's paying agents (see Item 10). Special arrangements can be made for payments overseas.

4. Taxation Deductions

Deductions for income tax are made from fortnightly retirement pay. A group certificate is sent to each retired member in receipt of retirement pay at the end of each financial year.

5. Commutation

All retired members in receipt of retirement pay may elect, within twelve months from date of retirement, to commute a portion of their retirement pay, that is, receive a lump sum pre-payment of a portion of future retirement pay. The maximum amount that a retired member may commute is four times the annual retirement pay applicable at the date of retirement. Where a retired member commutes, the annual rate of retirement pay is reduced by an amount calculated by dividing the lump sum amount received by the retired member's life expectancy (see Table III) at the date the election is received by the Authority. For example, if a retired male member is 50 years of age on the date his election is received by the Authority and his lump sum advance is \$20,000 (i.e. annual retirement pay of \$5,000 x 4), his annual retirement pay would be

1. Eligibility for Retirement Pay

Retirement pay is payable to:

- officers and other ranks who leave the Defence Force after completing a total of 20 years effective service;
- late entrant officers and other ranks who leave the Defence Force after completing 15 but less than 20 years effective service and who have attained the retiring age for the rank they held immediately before retirement; and
- officers or other ranks who, prior to rejoining the Defence Force, had been in receipt of retirement pay, invalidity pay, deferred benefit or a pension under the previous D.F.R.B. Scheme.

In general, effective service for retirement purposes is the total of all continuous full-time contributory service plus all periods of past service purchased by the member.

2. Assessment of Rate

The rate of retirement pay payable to an eligible member is a percentage of the member's annual rate of pay at the date of retirement, the percentage being determined by the member's total number of years of effective service. Special arrangements apply which may modify the period of effective service with which a member who had been in receipt of retirement pay, invalidity pay or a pension prior to rejoining the Defence Force, is credited for retirement pay purposes.

The annual rate of pay for retirement purposes is the maximum rate of pay for the member's rank (i.e. where increments are provided, the maximum of the salary range for that rank), plus Service Allowance, if payable. The only exceptions occur in the case of Chaplains and members undergoing training where certain intermediate points have been set because of the long salary ranges which apply.

Where a member has made an election to have a reduction in pay disregarded for the purpose of benefits under the Scheme and has paid

contributions based on the higher rate of pay, the annual rate of pay of the member for retirement purposes will be the higher rate.

Tables I and II set out the percentage of retirement pay applicable in relation to years of effective service.

TABLE I

Retirement pay: officers and other ranks who have completed 20 or more years effective service.

<i>Total number of years effective service completed</i>	<i>Retirement pay as a percentage of pay at date of retirement</i>
20	35.00
21	36.50
22	38.00
23	39.50
24	41.00
25	42.50
26	44.00
27	45.75
28	47.50
29	49.25
30	51.25
31	53.25
32	55.50
33	57.75
34	60.25
35	62.75
36	65.25
37	67.75
38	70.50
39	73.50
40	76.50

Where an officer:

- retires from the Defence Force at own request or is discharged on disciplinary grounds, and
- has completed 20 years or more effective service, but
- has not attained the notional retiring age

comes to the person's notice. The Authority will reconsider the case and advise the person of its decision. A further request can be made to have the matter submitted to an *Administrative Review Tribunal*.

9. Changes of Address

It is most important that any change of address be promptly notified to the Director, Department of Social Security, in the State of residence, or Director, Commonwealth Sub-Treasury, Darwin or Canberra, as applicable (see Item 10), to ensure that no delays in payments occur and that notices, group certificates, etc are forwarded to the correct address.

The Office of the D.F.R.D.B. Authority should also be notified of any change of address.

10. Addresses of The Authority's Paying Agents

Director,

Department of Social Security:

Australia House, 50 Carrington Street, Sydney, N.S.W. 2000.

Australian Government Centre, Cnr Spring and Latrobe Streets, Melbourne, Vic. 3000.

Australian Government Centre, 295 Anne Street, Brisbane, Qld. 4000.

A.M.P. Building, 1 King William Street, Adelaide, S.A. 5000.

Humphreys Building, 104 Murray Street, Perth, W.A. 6000.

Kirksway House, 2 Kirksway Place, Hobart, Tasmania 7000.

Director,

Commonwealth Sub-Treasury:

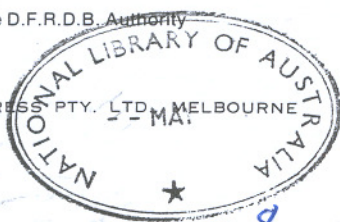
Mitchell Street, Darwin, N.T. 5790

Parkes Place, Canberra, A.C.T. 2600

Prepared by the Office of the D.F.R.D.B. Authority

R73/556

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THE DEFENCE FORCE RETIREMENT AND DEATH BENEFITS

Retirement benefits

A general outline of the provisions of the D.F.R.D.B. Scheme relating to payment of retirement benefits for members retiring from the Defence Force on or after 1 October 1972.

Further information is available from the Office of:

**The Defence Force Retirement and Death Benefits Authority
P.O. Box 4015
Canberra, A.C.T. 2600**

OCTOBER 1973