

Annex 3.5.CA Part 2

TAX ALERT: PACMATE [Annex 3.A](#), item 20.

RAN OBSERVER COMPLETION BONUS SCHEME

Defence Determination 1998/7

I, NICHOLAS JEFFERSON FORD, Director General Financial Conditions, Defence Personnel Executive, Department of Defence, acting under a delegation made by the Minister for Workplace Relations and Small Business under regulation 72A of the Defence Force Regulations, make the following Determination under section 58B of the *Defence Act 1903*.

Dated 1 March 1998

N. J. FORD
Air Commodore
Director General Financial Conditions
Defence Personnel Executive
Department of Defence

1. Citation

1.1 This Determination may be cited as Defence Determination 1998/7.

[NOTE: This Determination commences on the day on which it is made: see *Defence Act 1903*, subsection 58B(4).]

2. Purpose

2.1 The purpose of this Determination is to provide for the retention of qualified and experienced Observers.

3. Definitions

3.1 In this Determination:

“effective service” means continuous full-time service as an Observer for which salary is payable, excluding any period of:

- (a) any form of leave without pay exceeding 21 days;
- (b) absence without leave;
- (c) service rendered in discharging a return of service obligation;
- (d) a period of prospective service;
- (e) suspension from duty without pay; and
- (f) imprisonment or detention;

“Observer” means an Aircrew Observer in the Navy;

“offer”, in relation to an eligible member, means an offer in writing to the member which:

- (a) offers a completion bonus of the amount and on the conditions specified in clause 7;
- (b) sets out the required period of effective service stipulated by the CDF in relation to the member; and
- (c) is acknowledged in writing by the member;

CDF authorised persons:

Director General Navy Personnel and Training

Commander Australian Navy Systems Command.

“period of prospective service”, in relation to an eligible member, means a period of service ending on the day specified in an undertaking given by the member under subsection 33(3) of the *Military Superannuation and Benefits Act 1991* when the member elects to receive a retention benefit under Part 8 of that Act;

“prescribed amount” means the amount prescribed in clause 6;

“relevant day”, in relation to an eligible member, means the day on which the member acknowledges an offer;

“required period of effective service”, in relation to an eligible member, means a period specified in column 1 of the Schedule, being a period of effective service as an Observer that:

- (a) begins on the relevant day; and
- (b) is stipulated in the offer acknowledged by the member on that day;

“the CDF” means the Chief of the Defence Force.

[NOTE: Defence Determination 1991/45 contains definitions of other terms that may apply to this Determination.]

4. Return of service obligation

4.1 For the purposes of this Determination, an eligible member is subject to a return of service obligation if:

- (a) the member:
 - (i) is engaged in, or has completed, a course of training, a period of employment on special duties or a period of service outside Australia (excluding a course of aviation training or a period of aviation service outside Australia, if the course or period begins after the relevant day); or
 - (ii) was appointed outside Australia and the member’s transport, or the member’s dependants’ transport, to Australia was at the expense of the Commonwealth; and
- (b) because of the member’s being, or having been, engaged as described in subparagraph 4.1(a)(i), or having been appointed outside Australia as described in subparagraph 4.1(a)(ii), the member is required to complete a period of service

determined by the Chief of Navy, Chief of Army or Chief of Air Force (as the case may be).

5. Eligible member

5.1 In this Determination, a reference to an eligible member is a reference to a member who:

- (a) is an Observer to whom subclause 5.2 applies;
- (b) holds the substantive rank of Lieutenant or Lieutenant Commander on the day on which the member acknowledges an offer;
- (c) is rendering continuous full-time service for which salary is payable;
- (d) meets the medical fitness standards for aviation duty as an Observer;
- (e) is otherwise suitable for continued service because of the member's efficiency and competence;
- (f) receives an offer; and
- (g) acknowledges the offer on or before 30 June 1998.

5.2 This subclause applies to a member who is an Observer if either of the following paragraphs applies:

- (a) the member has served in a flying position in the Navy at any time since 1 January 1993 and, on or before the day on which the member acknowledges an offer, is either:
 - (i) qualified as an Embarked Mission Commander in a type of helicopter currently in service in the Navy; or
 - (ii) engaged, or selected to be engaged, in a course of training which, if satisfactorily completed, will result in the member's being qualified as an Embarked Mission Commander on or before 30 June 1999; or
- (b) the CDF certifies, having regard to the factors set out in subclause 5.3, that the member is essential to the development of the aviation combat forces of the Navy during the required period of effective service that would apply to the member under this Determination.

5.3 The factors for the purpose of paragraph 5.2(b) are:

- (a) the skills, knowledge and experience possessed by the member;
- (b) the nature of the member's past, current and expected future postings in the Defence Force; and
- (c) any other factor relevant to the member's ability to contribute to the development of the aviation combat forces of the Navy.

5.4 A member is not an eligible member if, on the day on which the member would (but for this subclause) have acknowledged an offer, the member is liable for a period of prospective service or return of service obligation expiring after 1 January 2001.

5.5 A member does not cease to be an eligible member by reason only that the member is promoted to a rank higher than Lieutenant Commander after the relevant day.

CDF authorised persons:

- Director General Navy Personnel and Training
- Commander Australian Navy Systems Command.

6. Prescribed amount

6.1 The amount payable under clause 7, in relation to an eligible member who acknowledges an offer, is the amount specified in column 2 of the Schedule opposite the required period of effective service in column 1 that corresponds to the required period of effective service stipulated in the offer.

7. Completion bonus

7.1 An eligible member is entitled to a completion bonus equal to the prescribed amount, if the member remains an eligible member during, and completes, a period of effective service equal to (or periods of effective service the sum of which is equal to) the required period of effective service stipulated in the offer acknowledged by the member.

7.2 An eligible member is not entitled to more than one prescribed amount in relation to an offer acknowledged by the member.

8. Pro-rata payment in certain circumstances

8.1 If an eligible member is unable to complete the required period of effective service because the member:

- (a) dies;
- (b) becomes permanently medically unfit for aviation duty as an Observer, as a result of physical or mental incapacity that is not within the member’s power to control; or
- (c) is retrenched,

the member or the member’s legal personal representative (as the case requires) is entitled to an amount calculated as follows:

$$\text{Prescribed amount} \quad \times \quad \frac{\text{Number of days effective service rendered by the member in the required period of effective service}}{\text{Number of days in the required period of effective service.}}$$

SCHEDULE

REQUIRED PERIODS OF EFFECTIVE SERVICE AND PRESCRIBED AMOUNTS

Column 1	Column 2
Required period of effective service	Prescribed amount \$
3 years	40,000
4 years	65,000
5 years	100,000

DETERMINATION 1998/7 - CLAUSE NOTES

Clause Amendments

3. Amended by: No. 45 of 1999.
4. Amended by: No. 34 of 1998.
5. Amended by: No. 45 of 1999.
6. Amended by: No. 45 of 1999.
7. Amended by: No. 45 of 1999.
8. Amended by: No. 45 of 1999.

Schedule: Amended by: No. 45 of 1999.

FOOTNOTES - 1998/7

1. Determination 1998/7 has been amended by Determination No. 34 of 1998.
1. Defence Determination 1998/7, as amended to date. For previous amendments see Note to Determination No. 45 of 1999 and see also Determination No. 45 of 1999.

RAN OBSERVER COMPLETION BONUS SCHEME (continued)
(Reprint of former INDMAN Instruction 0717 as at 30 June 2001)

Introduction

1. The purpose of the RAN Observer Completion Bonus (the Completion Bonus) is to provide a management tool for the attraction and retention of selected, fully qualified RAN Observers.
2. The Completion Bonus will be offered to selected RAN Observers. The payment of the bonus will be linked to completion of a period of three, four or five years (whichever period the ADF stipulates in the offer and which the member acknowledged) of effective service.
3. This scheme will close 30 June 98.
4. This Instruction describes the Completion Bonus and outlines the general policy for its administration.

Legal Authority

5. The legal authority for the Completion Bonus is Defence Determination 1998/7, made under section 58B of the *Defence Act 1903*.

Rate

6. The quantum of the Completion Bonus (Schedule 1) has been set at \$40,000, \$65,000 and \$100,000 and is payable, respectively, at the completion of a period of three, four or five years of effective service.

Common Definitions

7. The words in the following paragraphs are defined because they have special application for the purposes of this Instruction.
8. **'Observer'** means an Aircrew Observer in the Navy.
9. **'Approved Superannuation Fund'** means a Regulated and Complying Fund for superannuation as defined by the Insurance and Superannuation Commission as determined from the *Superannuation Industry Supervision Act 1993*.
10. **'Relevant Day'**, in relation to an eligible member, means the day on which the member acknowledges an offer.
11. **'Required Period of Service'**, in relation to an eligible member, means a period of either three, four or five years, being a period of effective service as an Observer that:
 - a. begins on the relevant day; and
 - b. is stipulated in the offer acknowledged by the member on that day.
12. **'Eligible Member'** is a member who:
 - a. is an Observer holding the substantive rank of Lieutenant or Lieutenant Commander in the RAN on the relevant day;
 - b. is an Observer to whom either subparagraph 12 (b)(1) or 12 (b)(2) applies;
 - (1) the member has served in a flying position in the Navy at any time since 1 January 1993 and, on or before the relevant day, is either;
 - (a) qualified as an Embarked Mission Commander in a type of helicopter currently in service in the Navy; or

- (b) engaged, or selected to be engaged, in a course of training which, if satisfactorily completed, will result in the member being qualified as an Embarked Mission Commander on or before 30 June 1999; or
 - (2) the CDF certifies, having regard to the factors set out in paragraph 13, that the member is essential to the development of the aviation combat forces of the Navy during the required period of service that would apply to the member under this Instruction.
 - c. is rendering continuous full-time service for which salary is payable;
 - d. meets the medical fitness standards for aviation duty as an Observer;
 - e. is otherwise suitable for continued service because of the member's efficiency and competence;
 - f. receives and offer; and
 - g. acknowledges the offer on or before 30 June 1998.
13. **'The factors'** for the purpose of paragraph 12 b(2) are:
- a. the skills, knowledge and experience possessed by the member;
 - b. the nature of the member's past, current and expected postings in the ADF; and
 - c. any other factor relevant to the member's potential to contribute to the development of the aviation combat forces of the RAN.
14. A member is **not an eligible member** if, on the day on which the member would (but for this paragraph) have acknowledged an offer, the member is liable for a period of prospective service or return of service obligation expiring after 1 January 2001.
15. A member **does not cease to be an eligible member** by reason only that the member is promoted to a rank higher than Lieutenant Commander after the relevant day.
16. **'Offer'**, in relation to an eligible member, means an offer in writing to the member which:
- a. offers a completion bonus of the prescribed amount and on the conditions specified in paragraph 30(a);
 - b. sets out the required period of service stipulated by the CDF in relation to the member; and
 - c. is acknowledged in writing by the member.
17. **'Return of Service Obligation'** an eligible member is subject to a return of service obligation if:
- a. the member:
 - (1) is engaged in, or has completed, a course of training, a period of employment on special duties or a period of service outside Australia (excluding a course of aviation training or a period of aviation service outside Australia, if the course or period begins after the relevant day); or
 - (2) was appointed outside Australia and the member's transport, or the member's family transport, to Australia was at the expense of the Commonwealth; and
 - b. because of the member's being, or having been, engaged as described in subparagraph 17a(1) or having been appointed outside Australia as described in subparagraph 17a(2), the member is required to complete a period of service determined by the Chief of Navy, Chief of Army or Chief of Air Force (as the case may be).

18. **'Effective Service'** means continuous full-time service in the ADF as an observer for which salary is payable, excluding any periods of:

- a. any form of leave without pay exceeding 21 days;
- b. absence without leave;
- c. service rendered in discharging a return of service obligation;
- d. a period of prospective service;
- e. suspension from duty without pay; and
- f. imprisonment or detention.

19. **'Eligible Termination Payment (ETP)'** means any entitlement paid to a member who is taking discharge not including unused long service leave (LSL), unused annual leave and some other amounts that may be paid on discharge.

20. **'Period of prospective service'** in relation to an eligible member, means a period of service ending on the day specified in an undertaking given by the member under clause 33(3) of the *Military Superannuation and Benefits Act 1991* when the member elects to receive a retention benefit under Part 8 of that Act.

21. **'Salary Sacrifice'** for the purposes of this Instruction, means foregoing extra salary in return for a lump sum employer benefit payment into an approved superannuation fund.

22. **'Prescribed Amount'** is the amount payable being either \$40,000, \$65,000 or \$100,000 with respect to the number of effective years (either three, four, or five years respectively) stipulated in the offer.

Completion Bonus

23. An eligible member is entitled to a completion bonus equal to the prescribed amount, if the member remains an eligible member during, and completes, a period of effective service equal to (or periods of effective service the sum of which is equal to) the required period of service stipulated in the offer acknowledged by the member.

24. An eligible member is not entitled to more than one prescribed amount in relation to an offer acknowledged by the member.

Effect of ROSO on the Completion Bonus

25. The aim of the Completion Bonus is for the RAN to gain effective service from RAN Observers for a period of 3, 4 or 5 years respectively, depending on the ADF offer. Accordingly, any ROSO resulting from courses, training or posting will not count as effective service in relation to the Completion Bonus with the exception of any ROSO accrued from:

- a. aviation training; or
- b. an overseas aviation posting,

that begins after the member acknowledges the offer.

The result of any ROSO on the Completion Bonus will be to suspend the members effective service towards the Completion Bonus until all ROSO has been completed.

Non-Effective Service

26. Periods during which the member is not considered to be rendering effective service are defined at paragraph 18. A member's service for the purposes of the Completion Bonus will be suspended during these times, and will recommence on the day after a period referred to in paragraph 18 expires. The Director General Navy Personnel and Training (DGNPT) is responsible for tracking any non-effective service accrued during the defined period of service for attainment of the Completion Bonus. They are also responsible for adjusting the end date of the 'required period of service' where appropriate, thereby changing the entitlement date for the Completion Bonus.

ELIGIBILITY AND SELECTION

Selection Process

27. The Completion Bonus will only be offered to those Officers who meet the criteria for an eligible member described at paragraph 12.

28. DGNPT will make a written offer to selected RAN Observers of either a three, four or five year Completion Bonus. In order to qualify for the Completion Bonus the member must sign and return the *Acknowledgment Form* to DGNPT by 30 Jun 98. The *Acknowledgment Form* is contained at Annex A of this Instruction.

ADMINISTRATION

Acknowledgment Form

29. The *Acknowledgment Form* is to be completed in triplicate and distributed as follows:

- a. Original: DGNPT;
- b. Second Copy: DDPN for Personnel Data Base; and
- c. Third Copy: Officer's personal file.

Once the *Acknowledgment Form* has been completed, DGNPT is responsible for monitoring the member's progress and initiating the payment process when the end of the required period of service approaches.

Administrative Sequence for Payment

30. Eligibility for the Completion Bonus payment will be assessed by DGNPT using the following criteria:

- a. An eligible member is entitled to a completion bonus equal to the prescribed amount, if the member remains an eligible member during, and completes, a period of effective service equal to (or periods of effective service the sum of which is equal to) the required period of service stipulated in the offer acknowledged by the member.

31. The following administrative sequence will apply three months prior to the completion of the defined period for the Completion Bonus:

- a. **Payment Election.** *The Payment Election and Authorisation Form* (Annex B of this Instruction) should be forwarded by the DGNPT to the member's unit for the administration of the member no less than three months prior to the expected completion of the required period of service. Section One of the form should be completed by the member and returned via the unit to DGNPT no less than two months prior to the expected completion of the required period of service. Section One includes notification by the member of any intention to utilise the employer superannuation contribution option, including details of the nominated superannuation fund(s). If a superannuation fund has been nominated, unit personnel staff must check the fund in line with the requirements set out in paragraph 33 prior to returning the form to DGNPT.

- b. **Authorisation.** Once the required period of service has been completed and the member's entitlement has been confirmed, Section Two of the *Completion Bonus Payment Election and Authorisation Form* should be completed by DGNPT and forwarded to Defence Force Pay Accounting Centre (DEFPAC), Melbourne for finalisation (see paragraph 35 below).

Payment Election - Benefit Payment Options

32. The member may choose one of the following Benefit Payment Options:
- a. **Cash Payment.** For Officers who have chosen the 'cash' payment or part cash options, the Completion Bonus will be paid after processing is completed, on receipt of the authorisation. ~~If the completion of the three, four or five year period (whichever is applicable) coincides with an Officer's resignation, the 'cash' payment will form (or be part of) an ETP and will be paid and taxed in accordance with instructions given to administrative staff as part of the normal discharge procedure.~~ **(For additional information, see Attachment E at the end of Annex 2.A.)**
- b. **Employer Superannuation Contribution Option (Salary Sacrifice).** Officers who choose to salary sacrifice some or all of their payment are to complete the appropriate part of Section One of the *Payment Election and Authorisation Form* (Annex B of this Instruction) to indicate this preference and provide details of the nominated superannuation fund(s). That element of the Completion Bonus taken as a salary sacrifice will be paid by a cheque, made out to the approved superannuation fund nominated by the member. Note that the salary sacrifice option is **not** available for any pro rata cash payments made in lieu of the Completion Bonus. Supplementary advice has been issued subsequent to the release of the INDMAN attached to the Bonus Offer. This advice is reiterated at Annex D of this Instruction.
33. **Superannuation Fund Check.** Where the member has elected the salary sacrifice or part salary sacrifice option, the unit personnel staff are required to check that the 'Approved Superannuation Fund' is a regulated and complying fund for superannuation. The fund will have a nine digit identification number and can be checked by contacting the Insurance and Superannuation Commission on 131050. This check is to be conducted by the unit **before** the *Payment Election and Authorisation Form* is returned to DGNPT. If any question over the fund status arises as a result of the check, the member should be informed immediately. Where this occurs, it is the member's responsibility to ensure proof is provided that the fund complies with the legislative requirements for acceptance of employer superannuation contributions. Alternatively, a different (complying) fund could be nominated (in writing). Where any doubt or disagreement arises over the interpretation of this aspect, further advice should be sought. If necessary, Director General Personnel Policy and Employment Conditions (DGPPEC) may ultimately be consulted where the situation cannot easily be resolved within the chain of command.
34. **Change of Payment Election.** ~~It should be noted that it is permissible for members to change the nature and/or proportions of their payment election at any point prior to the completion of the required period of service. This must be done in writing to DGNPT through the member's unit, by completing a new *Payment Election and Authorisation Form* (Section One), with a covering letter expressly revoking the previous Payment Election. Note that due to the operation of the tax law, the Payment Election is not revocable after the required period of service has been completed and the entitlement is earned, even when a request to change the election method is made prior to the actual payment of the bonus.~~ **(For additional information, see Attachment F at the end of Annex 2.A.)**

Authorisation for Payment

35. Payment of the Completion Bonus can only be made by DEFPAC after it has been authorised by a delegate of DGNPT. The DGNPT is responsible for:
- ensuring that any non effective service is added to the required period of service;
 - ensuring that any ROSO is added to the required period of service (where appropriate); and
 - confirming that the period of service which has been served corresponds with the offer acknowledged by the member.

When RAN Observers are deemed to have met all the qualifying requirements of the Completion Bonus, DGNPT is to complete Section Two of the *Payment Election and Authorisation Form* (Annex B of this Instruction) and forward it to DEFPAC.

Completion Bonus Not Payable

36. Officers are not restricted by acknowledging the offer from leaving the ADF during the required period of service. However, should they choose to leave, they will be ineligible for any portion of the Completion Bonus.
37. Those Officers discharged for inefficiency or disciplinary reasons prior to completion of the required period of service will not be eligible for any portion of the Completion Bonus.
38. As a personnel management principle, an Officer should not normally be retrenched during the required period of service. However, should a retrenchment occur, a member will be entitled to a pro rata payment, subject to the provisions of paragraphs 39-41 below.

Pro Rata Payment

39. If an officer is unable to complete the required period of service because the member:
- dies;
 - becomes permanently medically unfit for duty as an Observer, as a result of physical or mental incapacity that is not within the member's power to control; or
 - is retrenched,

the member or the member's legal personal representative (as the case requires) is entitled to an amount calculated by DGNPT using the following formula:

$$P = \frac{A \times t}{T}$$

where:

- P represents the pro rata payment;
- A represents the total amount (either \$40,000, \$65,000 or \$100,000) stipulated in the offer;
- t represents the number of days of effective service rendered within the required period of service in the offer; and
- T represents the total number of days in the required period of service in the offer.

40. A decision to make a pro rata payment is to be recommended by DGNPT, subject to approval by the Head Defence Personnel Executive. DEFPAC will receive written notification of authorisation for a pro rata payment where a member is considered to be eligible. In such cases, DGNPT is to initiate action on processing a *Pro Rata Payment Authorisation Form* (Annex C of this Instruction). If the recommendation is approved by the Head Defence Personnel Executive, the form will provide authorisation for the payment and is to indicate the conditions under which the payment has been granted, so that DEFPAC can determine the correct taxation treatment which should apply.

41. Pro rata payments can **only** be taken as cash. Any extant election to exercise the salary sacrifice payment option only applies to the full bonus payable on completion of the required period of service and not to any pro rata payments made under these guidelines. The appropriate taxation treatment for pro rata payments may vary widely. Each will need to be assessed on a case by case basis, according to the circumstances of the payment and the tax law and rulings which prevail at the time of the payment.

Annexes:

- A. Acknowledgment Form
- B. Payment Election and Authorisation Form
- C. Pro Rata Payment Authorisation Form
- D. ADF Completion Bonuses – Clarification of Administrative Advice (now at Attachment F to Annex 2.A)

ANNEX A

RAN OBSERVER COMPLETION BONUS - ACKNOWLEDGMENT FORM

PART A: ADF OFFER

Under Defence Determination 1998/7 made under Section 58B of the *Defence Act 1903*, I am authorised to make an offer of a RAN Observer Completion Bonus of (\$40,000, \$65,000, or \$100,000 as applicable) being payable on completion of (three, four, or five as applicable) years of effective service commencing from the date of signing Part B of this offer.

Effective service for the purposes of this offer is defined as continuous full-time service for which salary is payable, excluding any periods of:

- a. any form of leave without pay exceeding 21 days;
- b. absence without leave;
- c. service rendered in discharging a return of service obligation (ROSO);
- d. a period of prospective service;
- e. suspension from duty without pay; and
- f. imprisonment or detention.

You will be entitled to a completion bonus equal to the amount stated in this offer, if you remain an eligible member during, and complete, a period of effective service equal to (or periods of effective service the sum of which is equal to) the required period of service stipulated in this offer. Any ROSO or period of prospective service which you currently have, or become liable for during the period of this offer, will suspend the effective service contributing towards this bonus.

Pro rata payment of the Completion Bonus will only be paid should you:

- a. die;
- b. become permanently medically unfit for aviation duty as an Observer, as a result of physical or mental incapacity that is not within your power to control; or
- c. be retrenched.

Full details of the Completion Bonus are contained in Instruction 0717, the legal authority for which is Defence Determination 1998/7. This offer closes 30 June 1998 and therefore acknowledgment must be received by DGNPT prior to this date.

.....
(Signature)

Printed Name

Rank

DGNPT

Date

ANNEX A - continued

PART B: ACKNOWLEDGMENT BY OFFICER

I,.....
(Service number) (Rank) (Name in Full)

for the purposes of Defence Determination 1998/7 made under Section 58B of the *Defence Act 1903*, accept the offer to serve for a period ofyears effective service in the Royal Australian Navy beginning on1998.

I acknowledge that the provisions of Defence Determination 1998/7 have been brought to my notice and that I fully understand them.

I acknowledge that the period of effective service ofyears that I commit to render under Defence Determination 1998/7 will be suspended during any excluded periods of service as detailed in Clause 3.1 of the Determination.

I acknowledge that, under Defence Determination 1998/7, my failure to complete the commitment period disqualifies me from receipt of the RAN Observer Completion Bonus, or any part thereof, except in circumstances as described in Clause 8 of the Determination.

I acknowledge that this commitment to serve has no binding effect on the Commonwealth unless and until the commitment period of service set out above is certified as having been completed, or, unless I am unable to complete the commitment period of service for reasons as described in Clause 8 of the Determination.

Dated this.....day of.....1999

Officer

Witness

.....
Signature

.....
Signature

.....
(Service No, Rank)

.....
(Name in Full)

.....
(Name in Full)

.....
(Address)

.....
(Occupation)

ANNEX A - continued

PART C: CONFIRMATION ACTION BY DGNPT

The offer of a RAN Observer Completion Bonus pursuant to Defence Determination 1998/7 made under Section 58B of the *Defence Act 1903* acknowledged by

..... (insert name) is *confirmed / not confirmed*.

.....
(Signature)

Printed Name

Rank

Date

PART D: POST CONFIRMATION ACTION

1. Officer informed by letter.
 - a. Reference
 - b. Date
 - c. Signature
 - d. Name / Rank

2. Original offer returned to DGNPT for file action
 - a. Reference
 - b. Date
 - c. Signature
 - d. Name / Rank

ANNEX B

RAN OBSERVER COMPLETION BONUS PAYMENT ELECTION AND AUTHORISATION FORM

Officer's Details

Service	Navy
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Service Number	
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Rank	
------	--

Surname	
---------	--

Given Names	
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SECTION ONE - PAYMENT ELECTION

This Payment Election requires personnel to elect in advance the preferred method of payment of the RAN Observer Completion Bonus (The Completion Bonus). It must be completed in conjunction with the *Acknowledgment Form*.

Payment Options

There are three options for payment of the Completion Bonus:

One: cash - taxed at the rate appropriate upon receipt; or

Two: as an employer contribution to superannuation; or

Three: as a combination of cash and an employer contribution to superannuation, in proportions defined by the Officer.

All candidates are strongly advised to seek professional financial advice when making this decision. ADF Officers are not qualified to provide this advice.

Payment Election

I _____ hereby choose to be paid my
(Rank, Initials, Surname, Service Number)

Completion Bonus as:

Option One: [] Cash in full, to be taxed at the appropriate tax rate; or

Option Two: [] As an employer contribution to superannuation in full, taxed accordingly; or

Option Three: [] In part as an employer contribution to superannuation to the value of
\$_____, with the balance paid as cash, taxed at the appropriate tax
rate.

Tick one box. Only **one** of the above options is to be selected. This Payment Election must be read in conjunction with and subject to the *Acknowledgment Form*, and in no way affects the entitlement of personnel to the Completion Bonus.

ANNEX B - continued

Superannuation Fund Nomination

This section is **only** to be completed by the member if either Option Two or Three has been selected. It is the **member's** responsibility to supply the superannuation fund details requested.

I _____ hereby nominate
(Rank, Initials, Surname, Service Number)

the following Approved Superannuation Fund for payment of my Completion Bonus:

Fund Name

Superannuation Fund Number

Member's Acknowledgment

I acknowledge that the above information contained in Section One of this form reflects my preference for payment of the completion bonus should I become eligible to receive it. I have read this form in conjunction with the offer and acknowledge that my Payment Election of itself in no way affects my entitlement to the Completion Bonus.

Member's Signature

Date

Superannuation Fund Check

(To be completed by unit personnel staff, if applicable)

The superannuation fund nominated by the member in Section One of this form has been verified as set out in Instruction 0717 as being a complying regulated fund for the receipt of employer superannuation contributions:

Signed

Date

Rank and Appointment

ANNEX B - continued

SECTION TWO - AUTHORISATION

This Authorisation requires DGNPT to confirm the following details:

1. The above named officer has served to the end of the defined period according to the *Acknowledgment Form* (Annex A of Instruction 0717);
2. Adjustments have been made to the end date of the required period of service where non effective service for the purposes of the Completion Bonus has been incurred during the defined period;
3. I certify that the above named officer completed the requisite service for the Completion Bonus on _____.
Date
4. Payment of the Bonus is to be made in accordance with the Payment Election made by the member in Section One of this form, being:

\$_____ Cash - Payment into Officer's NPD account.

\$_____ Cheque - Made out to the Superannuation Fund nominated in Section One of this form, and mailed to the officer.

Signature of DGNPT

Date

Rank Initials Surname of DGNPT

Contact phone number

DEFPAC Certification

All Action Complete (DEFPAC use)

Date

ANNEX C

**RAN OBSERVER COMPLETION BONUS
PRO RATA PAYMENT AUTHORISATION FORM**

Officer's Details

Service	Navy
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Service Number	
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Rank	
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Surname	
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Given Names	
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SECTION ONE - RECOMMENDATION BY DGNPT

This Recommendation requires DGNPT to confirm the following details:

1. The above named officer meets the criteria for a pro rata payment in lieu of the Completion Bonus, based on the period of service provided, compared with the agreedyear period of service, as set out in Instruction 0717.
2. Adjustments have been made to the end date of the required of service where non effective service for the purposes of the Completion Bonus has been incurred during the defined period;
3. I certify that, in accordance with the formula provided in Instruction 0717, the pro rata payment for the above named officer is \$_____.
4. The member's circumstances giving rise to this recommendation are:
 The death of the member (pro rata payment to be treated as a death benefit for taxation purposes).
 The discharge of the member for medical reasons.
 The retrenchment of the member (see note below).

Signature of DGNPT

Date

Rank Initials Surname of DGNPT

Contact phone number

Note: In the event of a pro rata payment in respect of retrenchment, the taxation of the payment must be assessed in accordance with the nature of the dismissal and any other benefit payable as a result of the retrenchment. This will determine whether the payment should be treated as an ETP or a bona fide redundancy payment. In such cases, additional guidance will need to be provided by DGNPT to DEFPAC (preferably as an attachment to this form) to finalise the payment process.

ANNEX C - continued

SECTION TWO - AUTHORISATION

Authorised / Not Authorised

Signature of Head of Personnel Executive

Date

Rank Initials Surname

Following authorisation (or otherwise) by HDPE, the form is to be returned to DGNPT for forwarding to DEFPAC or further staff action as appropriate.

For Authorised Payments (forwarded by DGNPT to DEFPAC for payment)

The payment is to be made either as a cash payment into Officer's NPD account or as a cheque made payable to the Officer, depending upon the circumstances of the payment as detailed above. The appropriate taxation deductions (if any) are to be made prior to payment.

DEFPAC Certification

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Date