

Annex 3.5.CA Part 3

RAN SUBMARINER COMPLETION BONUS SCHEME (Reprint of former INDMAN Instruction 0720 as at 30 June 2001)

Introduction

1. The purpose of the RAN Submariner Completion Bonus (the Completion Bonus) is to provide a management tool for the retention of selected submariner personnel.
2. The Completion Bonus will be offered to selected Submariners. The payment of the bonus will be linked to completion of a period of two years of Effective Service.
3. Acceptance of offers under this scheme will close 31 December 1999.
4. This Instruction describes the Completion Bonus and outlines the arrangements for its administration.

Legal Authority

5. The legal authority for the Completion Bonus is Chapter 3 Part 5 Division 4 of Defence Determination 2005/15, Conditions of Service, made under section 58B of the *Defence Act 1903*. Previously, the legal authority was Chapter 2 Part 6 Division 3 of Defence Determination 2003/21, Conditions of Service, Chapter 2 Part 3 of Defence Determination 2000/1, Conditions of Service and Defence Determination 1998/4, made under section 58B of the *Defence Act 1903*.

Rate

6. The quantum of the Completion Bonus has been set at \$35,000 and is payable at the completion of the required period of service.

Definitions

7. The words in the following paragraphs are defined because they have special application for the purposes of this Instruction.
8. **'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*.
9. **'Effective service'** means:
 - a. continuous full-time service in the ADF for which salary is payable, excluding:
 - (1) a period of training or a posting that gives rise to a return of service obligation, unless the training is relevant, or the posting is an overseas posting, that begins after the member acknowledges an offer;
 - (2) a period for which a return of service obligation applies, unless that obligation is for relevant training or an overseas posting that begins after the member acknowledges an offer;
 - (3) a period of prospective service; or
 - (4) a period for which the member is undergoing a period of detention; and
 - b. a period of leave without pay not longer than 21 days.

10. **'Eligible member'** means a qualified submariner who meets the following eligibility criteria for the offer of a bonus:

- a. the member holds the substantive rank of Commander, or a lower rank, on the day on which the member acknowledges an offer;
- b. the member has a continuing liability for sea or shore posting in the Submarine Arm;
- c. the member meets the medical fitness standards for sea duty on a submarine; and
- d. any of the following subparagraphs apply in relation to the member:
 - (1) the member has completed Collins Class submarine conversion training and has occupied a sea or shore posting in the Submarine Arm at any time since the end of 31 December 1996;
 - (2) the member has completed Collins Class submarine initial training and is qualified to occupy (but has not occupied) such a posting; or
 - (3) the member is not qualified to occupy such a posting and begins Collins Class submarine initial training by the end of 31 December 1999; or
 - (4) the member is qualified to be posted to an Oberon Class submarine and has volunteered to undertake Collins Class submarine conversion training; or
 - (5) the CDF certifies that the member has demonstrated a high level of performance in a submarine crew or support capacity, and that the member's retention is essential to fill certain critical postings in the Submarine Arm.

11. **'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.

12. **'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 25 and Annex A of this Instruction; and
- b. is acknowledged in writing by the member.

13. **'Overseas posting'** means a posting that is directly relevant to the occupation of a Submariner in the RAN.

14. **'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 of the *Military Superannuation and Benefits Act 1991* when the member elects to receive a retention benefit under Part 8 of that Act.

15. **'Prescribed amount'** is the amount of \$35,000 stipulated in the offer.

16. **'Relevant day'** means the day on which the member's period of effective service, for the purposes of the Bonus, commences.

17. **'Relevant training'** means postgraduate or other professional or trade training that is directly relevant to the occupation of a Submariner in the RAN.

18. **'Required Period of Service'** means the period of two years effective service, as offered by the ADF, that the Submariner acknowledges to serve to qualify for the Completion Bonus that:

- a. begins on the 1 January 2000; or in the case of a member who commences submarine training before 31 December 1999, the date on which the member is awarded the Submarine Sea Qualification; and
- b. is completed in addition to any non-effective service to be served before or during this period.

19. **'Return of Service Obligation (ROSO)'**. The conditions under which an eligible member may be subject to a ROSO are detailed in *Defence Instruction (Navy) PERS 42-9 – Return of Service Obligation*. Members should read DI (N) PERS 42-9 carefully in conjunction with this instruction when considering an offer under this Instruction.

20. **'Salary sacrifice'** for the purposes of this Instruction, means forgoing salary in return for a lump sum employer benefit payment into an approved superannuation fund.

21. **'Submariner'** means a submarine qualified member of the RAN up to and including the rank of Commander.

Consequences of Non Effective Service on the Completion Bonus

22. The aim of the Completion Bonus is for the RAN to gain effective service from submariners for a period of two years. Accordingly, any ROSO resulting from courses, training, promotion or posting will not count as effective service in relation to the Completion Bonus unless deemed relevant training or overseas posting as outlined in paragraphs 13 and 17. The result of any ROSO on the Completion Bonus will be to suspend the member's effective service towards the Completion Bonus until all ROSOs have been completed.

Non-Effective Service

23. The period(s) during which the member is considered to be rendering effective service is defined at paragraph 9. The Director General Navy Personnel and Training (DGNPT) is responsible for notifying the Director of Entitlements (DE), Personnel Policy and Employment Conditions Branch (PPECB), Defence Personnel Executive (DPE), Canberra of any non-effective service accrued during the required period of service for attainment of the Completion Bonus.

ELIGIBILITY AND SELECTION

Selection Process

24. The Completion Bonus will only be offered to those members determined by DGNPT who meet the criteria for an eligible member described at paragraph 10.

25. DGNPT will make a written offer to selected submariners for the Completion Bonus. In order to qualify for the Completion Bonus the member must sign and return the *Acknowledgment Form* to the DGNPT by 31 December 1999. The *Acknowledgment Form by Member* is contained at Annex A of this Instruction.

ADMINISTRATION

Acknowledgment Form

26. The *Acknowledgment Form* is to be completed and returned to DGNPT. Once the *Acknowledgment Form* has been received by DGNPT, a copy of the form is to be forwarded to DE, PPECB, DPE, Canberra, who will maintain a database of members who have accepted an offer of the bonus and will initiate the payment process when the end of the Required Period of Service approaches.

Administrative Sequence for Payment

27. Eligibility for payment of the Completion Bonus will be assessed by DE, PPECB, DPE, Canberra 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 for the purposes of the Bonus, until the completion of the Required Period of Service.
- b. An eligible member who ceases to be an eligible member during the Required Period of Service in circumstances defined in paragraph 36, is entitled to a pro rata payment of the Completion Bonus.

28. 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 DE, PPECB, DPE Canberra to the member's unit no less than three months prior to the expected completion of the Required Period of Service. This form should be completed by the member and returned via the unit to DE, PPECB, DPE Canberra no less than two months prior to the expected completion of the Required Period of Service. The completed form 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 30 prior to returning the form to DE, PPECB, DPE Canberra.
- b. **Authorisation.** Once the Required Period of Service has been completed and the member's entitlement has been calculated, the *Authorisation for Payment Form* (Annex D of this Instruction) will be completed by DE, PPECB, DPE Canberra and forwarded to Defence Force Pay Accounting Centre (DEFPAC), Melbourne for finalisation (see paragraph 32 below).

Payment Election - Benefit Payment Options

29. The member may choose one of the following Benefit Payment Options:

- a. **Cash Payment.** For members 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 Required Period of Service coincides with a member's discharge, the 'cash' payment will form (or be part of) an eligible termination payment (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).** Members 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 E of this Instruction.

30. **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 13 10 50. This check is to be conducted by the unit **before** the *Payment Election and Authorisation Form* is returned to DE, PPECB, DPE Canberra. 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 DE, PPECB, DPE Canberra may ultimately be consulted where the situation cannot easily be resolved within the chain of command.

31. **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 DE, PPECB, DPE Canberra 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

32. Payment of the Completion Bonus can only be made by DEFPAC after it has been authorised by DE, PPECB, DPE Canberra who is also responsible for ensuring that the Required Period of Service has been extended by any non Effective Service in accordance with paragraph 22 of this Instruction. When Submariners are deemed to have met all the qualifying requirements of the Completion Bonus, DE, PPECB, DPE Canberra is to complete the *Authorisation for Payment Form* (Annex D of this Instruction) and forward it to DEFPAC.

Completion Bonus Not Payable

33. Members are not restricted by acknowledging the offer from leaving the ADF during the period of agreed service. However, should they choose to leave, they will be ineligible for any portion of the Completion Bonus.

34. Those members discharged for inefficiency or disciplinary reasons prior to completion of the agreed period of service will not be eligible for any portion of the Completion Bonus.

35. If a member undertaking Collins Class submarine initial or conversion training does not complete this training by the end of 31 December 2001, they will not be eligible for any part of the Bonus, unless the CDF certifies that the member is unable to complete the training because of the exigencies of the Service.

Pro-rata Payment

36. If a member is unable to complete the required period of service because the member:

- a. dies;
- b. becomes permanently medically unfit for duty as a Submariner, as a result of physical or mental incapacity that is not within the member's control;
- c. is a member of the Reserve Forces whose continuous full-time service ceases for Service reasons that, in the opinion of DGNPT (the approving authority), are not within the member's control; or
- d. otherwise ceases to be an eligible member for reasons that, in the opinion of DGNPT (the approving authority), are not within the member's control;

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 stipulated in the offer,
- t represents the number of days of effective service rendered by the member after the member acknowledged the offer, and
- T represents the period of effective service (in days) stated in the offer.

37. Payments under subparagraphs 36(a) and (b) above will be automatically approved by DE, PPECB, DPE Canberra. In relation to subparagraphs 36(c) and (d), DGNPT will make a decision as to whether a pro-rata payment is to be authorised. Decisions in these latter cases will be conveyed to DE, PPECB, DPE Canberra who will also provide DEFPAC with written notification of authorisation for all pro-rata payments.

38. Pro-rata payments made in accordance with subparagraphs 36(a), 36(b), 36(c), or 36(d), can **only** be taken as cash. 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. Offer and Acknowledgment Form
- B. Payment Election and Authorisation Form
- C. Pro-rata Payment Authorisation Form
- D. Authorisation for Payment
- E. ADF Completion Bonuses – Clarification of Administrative Advice (now at Part 5 to Annex 3.5.D)

ANNEX A

SUBMARINER COMPLETION BONUS – OFFER AND ACKNOWLEDGMENT FORM

PART A: ADF OFFER

To:
(Service number) (Rank) (Name in Full)

1. Under Defence Determination 1999/3 made under section 58B of the *Defence Act 1903*, I am authorised to make an offer of a Submariner Completion Bonus of \$35,000 on completion of two years of effective service commencing from 1 January 2000. (or the day on which you qualify for the Submarine Sea Qualification - see paragraph 18a of this Instruction.)
2. Effective service means:
 - a. continuous full-time service in the ADF for which salary is payable, excluding:
 - b. a period of training or a posting that gives rise to a return of service obligation, unless the training is relevant, or the posting is an overseas posting, that begins after the member acknowledges an offer;
 - (1) a period for which a return of service obligation applies, unless that obligation is for relevant training or an overseas posting that begins after the member acknowledges an offer;
 - (2) a period of prospective service; or
 - (3) a period for which the member is undergoing a period of detention; and
 - b. a period of leave without pay not longer than 21 days.
3. 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 the Required Period of Service stipulated in this offer. Any ROSO which you currently have, or any period of Prospective Service occurring during the Required Period of Service, or any periods described in paragraph 2 above, which you become liable for during the period of this offer, will result in the required period of effective service required for payment of the bonus, to be extended in some cases and in other cases to be served consecutively with other undertakings. ~~The order of priority in relation to a series of undertakings is as follows: ROSO, followed by bonus undertaking and last of all, UFFS under the MSBS legislation.~~ **(See attached guidance notes and signal.)** This order is maintained notwithstanding when the undertakings are applied. Application of these situations will result in a stop/start situation for effective service under this bonus offer.
4. Pro-rata payment of the Completion Bonus will only be made should you:
 - a. die;
 - b. become permanently medically unfit for duty as a Submariner as a result of physical or mental incapacity that is not within your control;
 - c. be member of the Reserve Forces whose continuous full-time service ceases for Service reasons that, in the opinion of DGNPT (the approving authority), are not within your control; or
 - d. otherwise cease to be an eligible member for reasons that, in the opinion of the DGNPT (the approving authority), are not within your control.

ANNEX A - *continued*

Full details of the Completion Bonus are contained in Instruction 0720, the legal authority for which is Defence Determination 1999/3. This offer closes 31 December 1999 and therefore acknowledgment must be received by DGNPT prior to this date.

.....
(Signature)

Printed Name

Rank

DGNPT

Date

Guidance notes and signal

The sentence in paragraph 3 should read:

The order of priority in relation to a series of undertakings is as follows: ROSO, UFFS under the MSBS legislation and last of all the bonus undertaking.

A signal was sent out reflecting this as follows:

SUBJ: COMPLETION BONUS FOR SUBMARINERS (SMCB) – INCORRECT STATEMENT

A. INDMAN 1 VOL 1 INSTRUCTION 720

B. DEFNAV CANBERRA WAO/WAS 202111ZSEP99

C. DEFENCE DETERMINATION 1999/3

1. THE PURPOSE OF THIS MESSAGE IS TO INFORM MEMBERS WHO HAVE BEEN OFFERED OR HAVE ACKNOWLEDGED THE SMCB THAT ANNEX A OF REF A HAS AN INCORRECT STATEMENT. AS A RESULT OF THIS, PERSONNEL WHO ELECT TO UNDERTAKE AN MSBS UFFS IN CONJUNCTION WITH THE SMCB MAY HAVE CALCULATED AN INCORRECT DATE THAT THE SMCB BECOMES PAYABLE.

2. PARA 3 OF ANNEX A PART A INCORRECTLY ASSERTS THAT "THE ORDER OF PRIORITY IN RELATION TO A SERIES OF UNDERTAKINGS IS AS FOLLOWS: ROSO, FOLLOWED BY BONUS UNDERTAKING AND LAST OF ALL UFFS UNDER MSBS LEGISLATION". THIS STATEMENT WAS TRANSCRIBED INTO PARA 8 OF REF B.

3. THIS ADVICE IS AT VARIANCE WITH CLAUSE 3.1(A) OF REFERENCE C WHICH STATES THAT PERIODS OF SERVICE (IE UFFS UNDER MSBS) ARE NOT DEEMED TO BE EFFECTIVE SERVICE FOR BONUS PURPOSES. THIS CLAUSE DOES NOT PERMIT PERIODS OF PROSPECTIVE SERVICE INCURRED UNDER OTHER LEGISLATION TO BE SUSPENDED WHILST EFFECTIVE SERVICE FOR A BONUS IS RENDERED. A MEMBER DOES NOT THEREFORE RENDER EFFECTIVE SERVICE UNTIL ALL ROSO (DEFINED AT CLAUSE 3.1(A) OF REF A) AND THEN ALL UFFS HAVE BEEN SERVED.

4. REF C IS THE LEGAL AUTHORITY AND TAKES PRECEDENCE OVER ANY OTHER DOCUMENT. IT IDENTIFIES THE CORRECT ORDER OF PRIORITY IN RELATION TO A SERIES OF UNDERTAKINGS WHICH IS: ROSO FOLLOWED BY MSBS UFFS AND LAST OF ALL BONUS UNDERTAKINGS.

5. TO ACCEPT THE SMCB, PERSONNEL ARE REQUIRED TO COMPLETE AND SIGN ANNEX A PART B OF REF A (ACKNOWLEDGEMENT BY MEMBER). THIS DOCUMENT REFERENCES CLAUSE 3.1 OF DEFENCE DETERMINATION 1999/3 (REF C) AND THEREFORE PERSONNEL HAVE ACKNOWLEDGED THE CORRECT ORDER OF PRIORITY IN RELATION TO A SERIES OF UNDERTAKINGS. CONFUSION MAY EXIST AS TO WHEN THE SMCB IS PAYABLE DEPENDANT ON WHETHER THEY USED REF A OR C TO CALCULATE WHEN THE SMCB IS PAID.

6. THE FOLLOWING EXAMPLE MAY CLARIFY THE SITUATION. A MEMBER HAS SERVED 13.5 YEARS AND INCURS A ONE YEAR ROSO. THE MEMBER ACCEPTS THE SMCB AND ALSO TAKES THE MSBS RETENTION BENEFIT. IF THE MEMBER USED ANNEX A PARA 3 TO REF A TO CALCULATE WHEN THE SMCB BECOMES PAYABLE, THE MEMBER WOULD EXPECT PAYMENT AT THE 16.5 YEAR MARK. THIS IS INCORRECT. USING THE CORRECT ORDER AT PARA 4 WILL RESULT IN THE SMCB PAYMENT BEING SUSPENDED UNTIL MSBS UFFS IS COMPLETE. THEREFORE THE MEMBER WOULD NOT RECEIVE THE BONUS UNTIL THE 21.5 YEAR MARK, IE FROM 14.5 YEARS THE MEMBER WOULD EXPEND SIX MONTHS OF THE SMCB, THEN 5 YEARS OF MSBS FOLLOWED BY THE REMAINING EIGHTEEN MONTHS FOR THE SMCB.

7. DSCM WILL FORWARD A LETTER TO MEMBERS EFFECTED BY THIS STATEMENT TO EXPEDITE ACKNOWLEDGEMENT THE FOLLOWING PROCEDURE WILL BE USED:

A. MEMBERS WHO HAVE ALREADY ACKNOWLEDGED SMCB OFFER: A LETTER WILL BE FORWARDED OUTLINING THE CONTENTS OF THIS MESSAGE AND INCLUDE A NEW PART B (ACKNOWLEDGEMENT BY MEMBER). PART B IS TO BE SIGNED AND RETURNED TO DSCM R8-5-045 BY 31 JAN 00.

B. MEMBERS WHO HAVE NOT YET ACKNOWLEDGED SMCB OFFER: PART B OF THE ORIGINAL OFFER IS TO BE ANNOTATED WITH THE FOLLOWING STATEMENT AND SIGNED AND DATED BY THE MEMBER – I HAVE READ AND UNDERSTOOD THE CONTENTS OF DSCM SIGNAL WAO/WAS (DTG) DEC 99 WHEN SIGNING THIS DOCUMENT.

8. REFERENCE A WILL BE AMENDED AT THE FIRST AVAILABLE OPPORTUNITY.

9. THE SMCB HOTLINE WILL BE MANNED DURING OFFICE HOURS (CANBERRA) UNTIL THE SMCB ACKNOWLEDGEMENT DEADLINE OF 31 DEC 99. HOTLINE NUMBERS ARE (02) 6265 1572, (02) 6265 2800, (02) 6265 5880, OR EMAIL ANGIE.HILLIS@CBR.DEFENCE.GOV.AU, CRAIG.LEE@CBR.DEFENCE.GOV.AU, ANTHONY.FRANKLIN@CBR.DEFENCE.GOV.AU

ANNEX A - continued

PART B: ACKNOWLEDGMENT BY MEMBER

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

for the purposes of Defence Determination 1999/3 made under Section 58B of the *Defence Act 1903*, accept the offer to serve for a period of two years effective service in the Royal Australian Navy beginning on the date of the Required Period of Service stipulated in Part 3 Clause 3.1 of the Schedule to Defence Determination 1999/3.

I acknowledge that the provisions of Defence Determination 1999/3 have been brought to my notice and that I fully understand them.

I acknowledge that the period of effective service of two years to qualify for payment of a Bonus under Defence Determination 1999/3 will be suspended during any excluded periods of service as detailed in clause 3.1 of that Determination.

I acknowledge that, under Defence Determination 1999/3, my failure to complete the specified effective service period disqualifies me from receipt of a Bonus, or any part thereof, except in circumstances as described in the Determination.

I acknowledge that this undertaking to serve to qualify for a Bonus 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 the Determination.

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

Member

Witness

.....
Signature

.....
Signature

.....
(Service No, Rank)

.....
(Name in Full)

.....
(Name in Full)

.....
(Address)

.....
(Occupation)

ANNEX A - continued

PART C: CONFIRMATION ACTION BY DIRECTOR GENERAL NAVY PERSONNEL AND TRAINING

The offer of a Submariner Completion Bonus pursuant to Defence Determination 1999/3 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. Member 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

3. Copy offer passed to DE, PPECB, DPE Canberra for action:
 - a. Reference
 - b. Date
 - c. Signature
 - d. Name / Rank

ANNEX B

RAN SUBMARINER COMPLETION BONUS PAYMENT ELECTION AND AUTHORISATION FORM

Member's Details

Service	RAN
Service Number	
Rank	
Surname	
Given Names	

SECTION ONE - PAYMENT

This Payment Election requires personnel to elect in advance the preferred method of payment of the RAN Submariner 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;
- 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 member.

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

Payment Election

I, _____

(Rank, Initials, Surname, Service Number)

hereby choose to be paid my Completion Bonus as:

- Option One:** [] Cash in full, to be taxed at the appropriate tax rate;
- 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 the
(Rank, Initials, Surname, Service Number)
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 0720 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 Director of Entitlements, Personnel Policy and Employment Conditions Branch, Defence Personnel Executive Canberra to confirm the following details:

1. The above named member has served a period of two years effective service according to the *Acknowledgment Form* (Annex A of Instruction 0720);
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 prior to the end of this period;
3. I certify that the above named member 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 member's Net Pay Deposit account.

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

Signature of Director Entitlements

Date

Initials Surname

Contact phone number

DEFPAC Certification

All Action Complete (DEFPAC use)

Date

ANNEX C

RAN SUBMARINER COMPLETION BONUS PRO-RATA PAYMENT AUTHORISATION FORM

Member's Details

Service	RAN
Service Number	
Rank	
Surname	
Given Names	

RECOMMENDATION BY SERVICE CAREER MANAGER

This Recommendation requires DGNPT to confirm the following details:

1. The above named member meets the criteria for a pro-rata payment in lieu of the Completion Bonus, based on the period of effective service provided, compared with the agreed period of service, as set out in Instruction 0720.
2. Adjustments have been made to required period of service where non-effective service for the purposes of the Completion Bonus has been incurred during the period.
3. I certify that, in accordance with the formula provided in Instruction 0720, the pro-rata payment for the above named member 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 permanent medical unfitness of the member to complete the period of service because of physical or mental incapacity that is not within the member's control.
 - Cessation of full-time service for Service reasons that are not within the member's control.
 - Cessation to be an eligible member for reasons that are not within the member's control.

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 through DE, PPECB, DPE, Canberra to DEFPAC (preferably as an attachment to this form) to finalise the payment process.

ANNEX D

AUTHORISATION FOR PAYMENT

MEMBER'S DETAILS

Service	RAN	Service Number		Rank	
Surname				Given Names	

This Authorisation requires DE, PPECB, DPE, Canberra to confirm the following details:

1. The above named member is eligible for payment of the Completion Bonus in accordance with Instruction 0720.

2. The above named member is entitled to a payment of

3. Payment of the Bonus is to be made in accordance with the Payment Election made by the member in accordance with Annex B to Instruction 0720, being:

\$..... Cash - Payment into member's NPD account.

\$..... Cheque - Made out to the Superannuation Fund nominated by the member in the Payment Election form, and mailed to the member.

.....
Signature of Director Entitlements *Date*

.....
Initials *Surname* *Contact phone number*

DEFPAC Certification

All Action Complete (DEFPAC use)

.....
Signature

.....
Printed Name *Position* *Date*