**DFRDB UPDATE NOV 16**

**INTRODUCTION**

While there may not appear to have been much action, our work on the injustices in the DFRDB scheme has been continuing.

During the Federal election campaign we did get an audience with the then Assistant Minister for Defence, the Honorable Michael McCormack MP. While the Minister gave us a good hearing, he gave us no commitment for any action, citing the fact that the Government was in caretaker mode and that there was no guarantee that he would be re-elected and returned to his Ministerial position or that the Government would be returned to power.

**DFRDB PETITIONS TO PARLIAMENT**

The response to and support for the Petitions to Parliament has been disappointing to say the least. It is totally perplexing, that so few of the more than 50,000 recipient DFRDB members and/or their spouses who are being denied their rightful entitlements on a monumental scale, are showing any interest in getting something done about it. We only have 1700 signatures and that does not give us the firepower that we wanted to achieve but it is not too late I can still accept signatures for another month. If you need the forms please let me know and I can accept completed forms via email.

One suggested reason is a fear of losing DVA benefits if DFRDB benefits are increased. DVA benefit recipients should be aware that a $1 increase in DFRDB benefits does not result in a $1 reduction in DVA benefits. The reduction is only 50 cents in the dollar. Also worth considering is that, unlike DFRDB, if indexation of the DVA service pension follows that of the age pension, the service pension will be reduced in value.

# A paper is in the final draft stage using REAL CASE samples that clearly show the over repayment of the Commutation advance once Life Expectancy has been achieved. In my case I have repaid $52000 more than my original commutation and we have much worse examples than that.

**ACTION PLAN**

We are now working on an approach to the Minister for Veterans Affairs, the Honorable Dan Tehan MP, who is now responsible for DFRDB by virtue of his other hat as Minister for Defence Personnel. We will seek the help of our local Member to gain an audience and present in person; Herb’s papers on DFRDB indexation, commutation and spouse and dependent offspring benefits, which he is currently updating, to the Minister and his staff.

We want to coincide that approach with the presentation of our petitions to Parliament. However, we need another effort to increase the number of signatures we currently have.

**SUMMARY**

The DFRDB Act is very complex and it has taken years of detailed research by Herb and I to get our heads around it. Shortly we will have a top level Superannuation Accountant advise us on Herb's paper and from their we anticipate some Pro Bono legal advice from a Solicitor who specializes in Superannuation. We need more signatures to show that DRFDB members are concerned about this disgraceful rip-off.

**Additional Information on the reasons for the Petitions**.

**Commutation.** If you commuted you would have received a multiple ranging from 4 to 5 times as they raised the entitlement over a number of years during the 80's. To calculate your entitlement they took the number of years of service and divided your final salary by the % figure included in the Act and that produced your true superannuation entitlement. Then if you commuted they divided that figure by your Life Expectancy also included in the Act. The Life Expectancy tables are based on the 1962 figures thus they were out of date when the DFRDB scheme was enacted. Those figures would have given you a Life Expectancy of around 72 years whereas now we are expected to live to the mid 80's. The impact of using outdated tables is that your annual reduction for commuting is a higher figure than would be the case if later figures were used. Included in our very detailed study we have used actual case studies and we have an Army Major who served to 55 years of age and he has repaid $100000 more than his commutation. Our basic figures, that cover the general DFRDB population, show by about 73 years of age every member has repaid their initial advance. Some may think we are not entitled to an interest free government advance but Centrelink clients have exactly this option.

Section 98B (5) of the Act introduces a clause that denies your spouse their 62.5% entitlement yet the Act clearly states the Spouses Benefit is 62.5% of the UNCOMMUTED entitlement. What 98B does is remove an amount equal to your annual loss of superannuation due to commuting from indexation plus a member who did not commute (about 1% of the DFRDB community) never get their full entitlement as the same amount had they commuted is held out of column and never has indexation applied.  Our calculations that are currently being checked by a National Accounting firm indicate that a spouse will receive closer to 57%

If you need any further clarification please contact me but I can assure you we are being ripped off. I have been wasting my time for years fighting the many Ministers who merely sign the letters written by our greatest enemies the Public Servants this is the first time anyone has raised a petition to amend the Act. Some years ago there was the "Reynolds" case to the Administrative Appeals Tribunal but they could only use the current Act and Reynolds was beaten.