



Defence Determination 2008/6

I, PETER ARTHUR ELLIS BAVINGTON, Acting Director General Personnel Policy and Employment Conditions, Personnel Executive, make this Determination under section 58B of the *Defence Act 1903*.

Dated 4 February 2008

P A E BAVINGTON
Acting Director General
Personnel Policy and Employment Conditions
Personnel Executive

1 Citation

This Determination is Defence Determination 2008/6, Army and Air Force – Targeted pilot retention bonus scheme.

2 Commencement

This Determination commences on the date of signature.

3 Amendment

Defence Determination 2005/15, Conditions of Service, as amended¹, is amended as set out in this Determination.

4 Clause 3.5.2 (Contents)

add at the end

Division 30 Army and Air Force – Targeted pilot retention bonus scheme

5 Chapter 3 Part 5 Division 29 (Navy – Medical Officer recruitment bonus scheme)

after the Division, insert

Division 30: Army and Air Force – Targeted pilot retention bonus scheme

3.5.285 Purpose

This Division provides a retention bonus to encourage Army and Air Force pilots with specialist qualifications to stay in the Australian Regular Army or the Permanent Air Force for a year.

3.5.286 Definition

1. For the purpose of this Division, **effective service** means service that meets all the following conditions.
 - a. It is service in the Australian Regular Army or the Permanent Air Force.
 - b. It is paid.

Exception: Unpaid leave of less than 21 calendar days.
 - c. It is not service in the Reserves.
2. Service described in the following table as **effective service** may only count towards service in the manner set out in the table. The table lists a range of leave types and activities and sets out how a period of that leave or activity counts towards a member's one-year period of effective service.

Item	Activity	Effect
1.	Part-time leave without pay.	The paid component counts as effective service.
2.	Leave at full pay. Examples: Recreation leave, long service leave taken at full pay.	All of this leave counts as effective service.
3.	Unpaid leave for less than 21 calendar days. Examples: Leave without pay, maternity leave without pay.	
4.	Leave at half pay. Example: Long service leave at half pay.	Half the period of the leave counts as effective service.
5.	Unpaid leave for 21 calendar days or more. Examples: Leave without pay, maternity leave without pay.	No time spent on these types of leave and activity counts as effective service.
6.	Absence without leave.	
7.	Imprisonment, detention or suspension from duty without pay.	
8.	An undertaking for further service under Part 8 of the <i>Military Superannuation and Benefits Act 1991</i> , as preserved by item 4 of Schedule 4 <i>Defence Legislation Amendment Act (No. 1) 2005</i> .	
9.	A period when the member was discharging another undertaking for further service. Exception: An undertaking for further service associated with a promotion in Army.	
10.	A period when the member was discharging a return of service obligation, and item 11 of this table does not apply.	The whole of the return of service obligation counts as effective service.
11.	A period when the member is discharging a return of service obligation that is associated with relevant training, specialised duties or an overseas posting. (In this item, relevant training means professional or trade training that is directly relevant to the member's occupation.)	

3.5.287 Member who is eligible to apply for a retention bonus – Army

This clause is reserved for eligibility conditions to be determined at a later date.

3.5.288 Member who is eligible to apply for a retention bonus – Air Force

A member of the Air Force is eligible to apply for a bonus if all of the following conditions apply to them.

- a. On 1 February 2008 the member met all of the following conditions.
 - i. The member was a qualified pilot in the Permanent Air Force.
 - ii. The member was entitled to salary as a pilot.
 - iii. The member had been appointed to the rank of Flight Lieutenant or Squadron Leader.

Note: The member remains eligible to continue in the scheme if they are promoted after that date.
- b. The CDF has determined that the member had one or more of the following qualifications on 1 February 2008.
 - i. Fighter Combat Instructor.
 - ii. Qualified Flying Instructor.
 - iii. Operational Flying Instructor.
 - iv. Test Pilot.
 - v. Check Qualified captain or equivalent.
- c. The member agrees to provide one year of effective service using the form at Annex 3.5.ZF.

See: Annex 3.5.ZF, Air Force and Army – Targeted pilot retention bonus scheme

3.5.289 Member who is not eligible to apply for a bonus – Army

This clause is reserved for eligibility limits to be determined at a later date.

3.5.290 Member who is not eligible to apply for a bonus – Air Force

A member in any of the following circumstances is not eligible to apply for a retention bonus under this Division.

- a. The member is a member of the Reserves. This includes a member of the Reserves serving on continuous full-time service.
- b. The member has undertaken to perform a period of service under another retention bonus scheme in this Part.
- c. The member is on a provisional appointment to the rank of Wing Commander or higher.
- d. The member has not completed a period of initial pilot training and any period required of them under *Defence (Personnel) Regulations 2002*.
- e. A member has less than one year to serve from 1 February 2008 until the end of their current fixed period of service or appointment is taken not to be eligible.

Exception: A member may be eligible if they seek an extension of whichever of the following limits is relevant to cover the one-year period of service for the retention bonus.

- i. The member's fixed period of service.
- ii. The member's compulsory retirement age.

3.5.291 How to apply for a retention bonus

1. An eligible member may apply to join the scheme by taking both the following actions.
 - a. Completing the prescribed form at Annex 3.5.ZF.
 - b. Undertaking to serve one year of effective service in the scheme.
2. An eligible member may apply for a bonus under this Division until the later of the following dates.
 - a. 29 February 2008.
 - b. A later date that the CDF decides is reasonable, having regard to the member's circumstances.

Example: The CDF decides to extend a member's ability to apply because the member is deployed for six months in an area where there is no ability to send an application form.
3. An application under this subclause must be made on the application form at Parts A to D of Annex 3.5.ZF.

See: Annex 3.5.ZF, Army and Air Force – Targeted Pilot retention bonus scheme
4. The CDF must notify a member of the outcome of their application.

3.5.292 Service that counts towards a member's retention bonus

1. The one year's service that the member undertakes to perform in return for the retention bonus must be served as **effective service**.

Note: It will take the member longer than one year to finish their one year of effective service if they spend any time on ineffective service.
2. A member who joins the scheme must serve in the Australian Regular Army or the Royal Australian Air Force until they complete one year of effective service under this Division.
3. Once the application is accepted, the member is taken to serve from 1 February 2008.

3.5.293 Payment of the retention bonus

A retention bonus of \$30,000 is payable to an eligible member if CDF notifies the member that their application is accepted.

3.5.294 Repayment of the retention bonus

1. If a member fails to complete the one year of effective service for any of the following reasons, then they must repay the bonus in full to the Commonwealth.
 - a. The member resigns.
 - b. The member's service is ended for disciplinary reasons.
 - c. The member voluntarily transfers to the Reserves.
 - d. The member voluntarily changes specialisation.
2. If the member fails to complete the one year of **effective service** for any of the following reasons, then they do not have to repay the bonus to the Commonwealth.
 - a. The member becomes permanently unfit for flying duties due to reasons that are not within the member's control.
 - b. The member's service is terminated due to physical or mental incapacity that is not within the member's control.
 - c. An Army member is posted from a position for which the bonus is paid for Service reasons.
 - d. For Service reasons the member's specialisation is changed to be other than Pilot.
 - e. For Service reasons the member has their qualifications for which the bonus is paid withdrawn.
 - f. The member is retrenched or made redundant.
 - g. The member dies.
 - h. The bonus scheme ceases.

3.5.295 Administration of payment of the retention bonus

1. A member may nominate payment details for the retention bonus before the day the payment is due, using the form provided in Part C of Annex 3.5.ZF.
2. If a member does not nominate payment details, the retention bonus may only be paid to the member's normal pay account.

6 Annex 3.5.ZE (Medical Officer recruitment bonus scheme)

insert at the end

the Annex set out in the Attachment to this Determination.

NOTE

1. Defence Determination 2005/15 commenced on 31 May 2005. For previous amendments see Note to Defence Determination 2008/1 and see also Defence Determinations 2008/2, 3, 4 and 5.

ATTACHMENT

Annex 3.5.ZF: Army and Air Force – Targeted pilot retention bonus scheme

This form is in four parts.

Part A – provides information about the bonus scheme, and is for you to keep.

Part B – your agreement to serve in the rank for one year.

Part C – your election about how the bonus is paid.

Part D – additional payment information if you choose to pay the money into a superannuation fund.

Part A: Information about the retention bonus scheme

This Part provides information about the retention bonus, and is for you to keep.

I am applying for the Army and Air Force – Targeted pilot retention bonus scheme. This is authorised under Chapter 3 Part 5 Division 30 of Defence Determination 2005/15, Conditions of Service, made under section 58B of the *Defence Act 1903* ('the Determination').

I understand that my application for this retention bonus is subject to the following terms and conditions.

1. I must meet the requirements to be eligible to apply for a bonus under the Determination.
2. If I have less than one year to serve in the Service in which I have applied for a bonus, I cannot accept a retention bonus, unless I also apply to extend my fixed period of service or my compulsory retirement age.
3. I will be paid a \$30,000 retention bonus on joining the scheme.
4. I must serve one year of effective service if I apply for a retention bonus under this Division.
5. If I leave Army or Air Force for a reason specified in subclause 3.5.294.1 of the Determination, I must repay the full amount of the bonus.
6. I may not be asked to repay the full amount of the bonus if I do not complete the one year's service for a reason specified in subclause 3.5.294.2 of the Determination.
7. If I start to serve a Military Superannuation and Benefits Scheme (MSBS) undertaking for further service after I have joined the retention bonus scheme, I may have to complete my one year's service after I finish my MSBS undertaking for further service.
8. I may elect to pay the bonus into a superannuation fund using the forms provided at Parts C and D.
9. Effective service for the retention bonus is service in the Army or Air Force for which salary is paid. Leave or other events may not be effective service and may extend the period I have to serve. The table in subclause 3.5.286.2 of the Determination shows what counts as effective service.

Full details of the retention bonus scheme are contained in Chapter 3 Part 5 Division 30 of Defence Determination 2005/15, Conditions of Service.

This application form, and the related parts of Defence Determination 2005/15, is the whole agreement between us about the nature of this scheme. It overrides any other prior understanding or agreement about the scheme. This would include, for instance, things I may have been told about the scheme or things I may have read elsewhere.

Part B: Undertaking to serve one year for a retention bonus scheme

I,.....
 (Rank) (Last name) (Given name)
 ,
 (Service number) (Employee ID)

apply for the Army and Air Force – Targeted pilot retention bonus scheme.

I agree to provide one year of effective service.

I acknowledge that the provisions of Chapter 3 Part 5 Division 30 of Defence Determination 2005/15, Conditions of Service ('the Determination'), have been brought to my notice.

Please tick the boxes that apply below.

I have read and understood the Determination. Yes [] No []

I have completed the options for payment (see Parts C and D of this form.) Yes [] No []

I have applied to extend my fixed period of service, or have sought extension of my compulsory retirement age beyond the period of service required for the bonus. Yes [] No []
 N/A []

I have attached a certified true copy of my log book qualification endorsement. Yes [] No []

[] This is my first application of a place in the scheme.

[] I am not currently serving towards any other retention or completion bonus.

[] I am required to serve under these other bonus schemes before I serve my one year for this bonus:

(List any other bonus schemes).....

Dated this day of

 Signed

 Printed name

Witness

(This person must not be below the applicant in the chain of command)

 Signed

 Printed name

I,

.....
(Last name) (Given name) (Rank) (Employee ID)
.....
(Position) (Date) Signature

verify that the member has the required qualifications.

I,

.....
(Last name) (Given name) (Rank) (Employee ID)
.....
(Position) (Date) Signature

accept the application and approve payment of the retention bonus.

Part C: Payment details

.....
(Rank) (Last name) (Given name) (Employee ID)

This form must be submitted along with the acknowledgment and undertaking to serve form (Parts A, B and C).

There are three options for payment.

- Option one: Paid into the member's normal pay account. The amounts will be taxed at the applicable tax rate at the time of payment.
- Option two: As an employer contribution to superannuation. This election is made once, but you will later be able to vary this election.
- Option three: As a combination of these.

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

Retention bonus payment

I choose this payment method for my retention bonus:

- Option one:** [] Paid into my normal pay account. The amounts will be taxed at the applicable tax rate at the time of payment.
- Option two:** [] The full amount paid as an employer contribution to superannuation. I have nominated a superannuation fund in Part D of this form.
- Option three:** []
 1. _____% of the bonus payment as an employer contribution to superannuation. I have nominated a superannuation fund in Part D of this form.
 2. The balance of the amount paid into my normal pay account. These will be taxed at the applicable tax rate.

*Tick one box. Only select **one** of the options.*

Part D: Superannuation fund nomination

This section must be completed if either option two or three has been selected for one of the items in Part C. It is the member's responsibility to supply superannuation fund details.

I nominate this Eligible Choice Fund for my retention bonus.

Fund name

Fund number

Fund address

Member's account number.....

Dated this day of 20

Signed

Name (printed) _____

Work address _____

Occupation _____

Date _____

EXPLANATORY STATEMENT

Defence Determination 2008/6

This Determination amends Defence Determination 2005/15, Conditions of Service (the Principal Determination), made under section 58B of the *Defence Act 1903* (the Act). Chapter 3 of the Principal Determination sets out provisions dealing with salaries and bonuses for members of the Australian Defence Force (ADF).

The purpose of this Determination is to provide for a retention bonus scheme for members of the Australian Regular Army and the Permanent Air Force who have required qualifications at the rank of Captain/Flight Lieutenant and Major/Squadron Leader. The payment is designed to encourage members to stay in their employment category for one year.

Clause 1 of this Determination sets out the manner in which this Determination may be cited.

Clause 2 of this Determination provides that the Determination commences on the date of signature, as provided under subsection 58B(4) of the Act. Clauses 3.5.287 and 3.5.289 commence on the date of signature but are currently without content. The result is that only Air Force and not Army pilots are able to apply for the scheme at this time.

Clause 3 specifies that the amendment is made to the Principal Determination, as amended.

Clause 4 inserts a new item in clause 3.5.2 of the Principal Determination, to advise of a new Division 30 in the contents of Chapter 3 Part 5.

Clause 5 inserts new Division 30, Air Force and Army – Targeted pilot retention bonus. The new Division has the following features.

- Clause 3.5.285 outlines the purpose of the Determination.
- Clause 3.5.286 provides a definition of the term 'effective service'.
- Clauses 3.5.287 and 3.5.288 outline respectively for Army and Air Force the members eligible to apply for the retention bonus under the Division, including the list of employment categories for which a member may be eligible for a bonus.
- Clause 3.5.289 and 3.5.290 describe respectively for Army and Air Force classes of members who are not eligible to apply for a bonus under the Division. These classes are those who are already in receipt of another bonus, who are in the Reserves or who are unable to serve for the period of the bonus.
- Clause 3.5.291 outlines the process for application. Under this Division, application may be made by a member who meets the broad eligibility conditions for the bonus. A member has a maximum of 30 days to apply for the bonus, or a longer period where the CDF decides that there are special circumstances that prevent earlier application. Once received, service under the bonus scheme is measured from specified days, which may predate the date of the application. This means that an airman or a soldier will not be disadvantaged if they take time to apply.
- Clause 3.5.292 explains what constitutes effective service.
- Clause 3.5.293 provides for a \$30,000 retention payment to be made in recognition of the member's commitment to serve under the Division.
- Clause 3.5.294 provides that members who do not complete their one year of effective service must repay the bonus in some circumstances but not in others.
- Clause 3.5.295 explains the way in which the retention bonus is to be administered.

Clause 6 inserts a new Annex 3.5.ZF in the Principal Determination. This Annex provides a suite of forms for the administration of the bonus scheme.

Adverse decisions are subject to merits review under the ADF redress of grievance system, including an appeal to the Defence Force Ombudsman.

Authority: Section 58B of the
Defence Act 1903