

Subject: The accuracy of information provided to DFRDB members about the effects of commutation on future retirement pay entitlement.

Introduction: I served in the Royal Australian Air Force (RAAF) from 30 October 1964 to 1 April 1985 and having completed a little more than twenty years' service, I was eligible for a pension under the provisions in the Defence Force Retirement and Death Benefits (DFRDB) fund.

To The Committee,

Throughout my career, I was advised that upon retirement after a minimum twenty years service, I would receive an indexed pension for life. As part of that advice, I was also told that I may elect to commute part of my pension in order to receive a lump sum payment and that the commutation lump sum I receive will be based on a formula which calculated the funds (lump sum) being repaid to the DFRBD over my life expectancy through a reduction in my pension and at the end of my life expectancy, my pension would be re-instated to a full pension, fully indexed up to that point in time.

I was never shown nor have I seen that life expectancy information but told that my life expectancy at my age of discharge was twenty-five years, which would have made me sixty-four years old. I am now seventy-four and still paying for that commutation and therefore believe that I am being disadvantaged financially through an increasing amount of lost pension income.

I elected to commute part of my pension to enable me to purchase a permanent (family) home after discharge, because when in the service we lived in Air Force married quarters as a result of the ongoing postings and relocations so familiar to service families. Hindsight tells me that I would now be better off financially if I had applied for a bank loan rather than electing to commute part of my pension.

I request that you bring down a judgement in line with the information certainly presented and understood widely over my years of service and enable me, like many others to receive the pension we expected.

Alan White

24 March 2021.