



Australian Government
Australian Government Actuary

Veterans' Entitlements Act 1986
Section 25A

Instructions

1. I, Guy Thorburn, Australian Government Actuary, have prepared these Instructions for the purposes of section 25A of the *Veterans' Entitlements Act 1986* (the Act).

Dated this 6th day of January 2026

A handwritten signature in blue ink, appearing to read 'Guy Thorburn'.

Guy Thorburn
Australian Government Actuary



Fortnightly Amount

2. For the purposes of paragraphs 25A (2) and 25A (3) of the Act, the “**fortnightly amount**” is determined by the following formula:

$$\text{Compensation rate} \times \text{Indexation factor}$$

Definitions

3. For the purposes of these Instructions:

“**Actuarial factor**” means:

- (a) in respect of a male, the figure set out in column 2 of the relevant **Actuarial table** opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **lump sum date**;
- (b) in respect of a female, the figure set out in column 3 of the relevant **Actuarial table** opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **lump sum date**.

“**Actuarial table**” means:

- (a) Table 1 where the **lump sum date** is on or after 1 December 1988 and before 1 January 1991;
- (b) Table 2 where the **lump sum date** is on or after 1 January 1991 and before 1 July 1995;
- (c) Table 3 where the **lump sum date** is on or after 1 July 1995 and before 1 January 2000;
- (d) Table 4 where the **lump sum date** is on or after 1 January 2000 and before 1 July 2004;
- (e) Table 5 where the **lump sum date** is on or after 1 July 2004 and before 1 January 2010;
- (f) Table 6 where the **lump sum date** is on or after 1 January 2010 and before 1 January 2015;
- (g) Table 7 where the **lump sum date** is on or after 1 January 2015 and before 1 March 2021;
- (h) Table 8 where the **lump sum date** is on or after 1 March 2021 and before 1 March 2026;
- (i) Table 9 where the **lump sum date** is on or after 1 March 2026.

“**Compensation rate**” is

- (a) in relation to the **initial period**—the **Initial rate**;
- (b) in relation to the first six month period after the **initial period**—the **Initial rate**;
- (c) in relation to each subsequent six month period—the **fortnightly amount** for the previous six month period.

“**Index factor**”, in relation to a **relevant period**:

- (a) is the number, calculated to 3 decimal places, ascertained by dividing:



- (i) if the relevant period starts between 1 January and 30 June (inclusive)—the **index number** for the last preceding December quarter; or
 - (ii) if the relevant period starts between 1 July and 31 December (inclusive)—the **index number** for the last preceding June quarter;
- by the highest **index number** in respect of a December or June quarter that preceded that quarter; or
- (b) if the number so ascertained would, if it were calculated to 4 decimal places, end in a number greater than 4—is the number so ascertained increased by 0.001.

“**index number**”, has the same meaning as it has in section 198 of the Act.

“**indexation day**” is 20 March and 20 September of each year.

“**Indexation factor**” is determined by the following table.

Condition	Indexation Factor
in respect of the initial period	1
in respect of each six month period after the initial period if the Index factor is less than 1	1
in respect of each six month period after the initial period if the Index factor is equal to or greater than 1	the Index factor

“**initial period**” means the period beginning on the **lump sum date** and ending immediately before the next **indexation day** after the date of the first application of paragraph 25A (3) to the particular case.

“**Initial rate**” is: **$(\text{Lump sum} \times \text{Actuarial factor}) \div 10,000$**

“**Lump sum**” means the amount of compensation paid under section 24, 25 or 27 of the *Safety, Rehabilitation and Compensation Act 1988* in dollars.

“**Lump sum date**” means the date of payment of compensation under section 24, 25 or 27 of the *Safety, Rehabilitation and Compensation Act 1988*.

“**relevant period**” has the same meaning as it has in section 198 of the Act.

Application

- 4. This Instruction applies to all matters to which section 25A of the Act first applies on and after the date of this Instruction.



Actuarial Table 1* (based on ALT 1980-1982)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under Section 25A of the VEA

Age Next Birthday	Males	Females	Age Next Birthday	Males	Females
1	13.202	12.779	47	20.968	18.539
2	13.184	12.764	48	21.421	18.853
3	13.238	12.804	49	21.900	19.184
4	13.297	12.849	50	22.405	19.534
5	13.360	12.897	51	22.939	19.902
6	13.426	12.947	52	23.504	20.291
7	13.496	13.000	53	24.102	20.703
8	13.569	13.055	54	24.735	21.139
9	13.646	13.113	55	25.406	21.602
10	13.726	13.172	56	26.118	22.093
11	13.810	13.234	57	26.875	22.614
12	13.897	13.299	58	27.680	23.168
13	13.988	13.366	59	28.538	23.758
14	14.083	13.436	60	29.451	24.387
15	14.180	13.508	61	30.424	25.059
16	14.281	13.583	62	31.463	25.777
17	14.383	13.660	63	32.570	26.545
18	14.485	13.739	64	33.752	27.369
19	14.585	13.820	65	35.013	28.253
20	14.686	13.905	66	36.359	29.202
21	14.791	13.994	67	37.795	30.224
22	14.901	14.086	68	39.329	31.324
23	15.018	14.183	69	40.966	32.511
24	15.142	14.284	70	42.712	33.793
25	15.273	14.389	71	44.576	35.180
26	15.411	14.500	72	46.565	36.684
27	15.557	14.615	73	48.686	38.318
28	15.710	14.736	74	50.950	40.095
29	15.873	14.862	75	53.365	42.029
30	16.044	14.995	76	55.941	44.134
31	16.226	15.134	77	58.691	46.425
32	16.418	15.280	78	61.628	48.917
33	16.621	15.433	79	64.767	51.626
34	16.836	15.593	80	68.121	54.565
35	17.062	15.760	81	71.706	57.752
36	17.301	15.936	82	75.537	61.198
37	17.554	16.120	83	79.628	64.918
38	17.819	16.313	84	83.991	68.921
39	18.100	16.516	85	88.641	73.215
40	18.396	16.728	86	93.586	77.809
41	18.707	16.950	87	98.832	82.712
42	19.036	17.184	88	104.381	87.929
43	19.382	17.429	89	110.224	93.472
44	19.748	17.686	90	116.337	99.349
45	20.133	17.956	91	122.692	105.571
46	20.539	18.240			

* for lump sums paid on or after 1 December 1988 and before 1 January 1991



Actuarial Table 2* (based on ALT 1985-1987)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under Section 25A of the VEA

Age Next Birthday	Males	Females	Age Next Birthday	Males	Females
1	13.103	12.731	47	20.347	18.287
2	13.091	12.722	48	20.771	18.590
3	13.144	12.763	49	21.221	18.909
4	13.200	12.807	50	21.696	19.245
5	13.260	12.853	51	22.199	19.599
6	13.324	12.903	52	22.732	19.973
7	13.390	12.954	53	23.296	20.368
8	13.461	13.007	54	23.893	20.786
9	13.534	13.063	55	24.525	21.228
10	13.610	13.121	56	25.196	21.698
11	13.689	13.182	57	25.906	22.198
12	13.772	13.245	58	26.660	22.731
13	13.857	13.310	59	27.460	23.298
14	13.946	13.378	60	28.310	23.904
15	14.039	13.449	61	29.214	24.551
16	14.134	13.522	62	30.176	25.243
17	14.231	13.597	63	31.201	25.984
18	14.327	13.673	64	32.295	26.776
19	14.424	13.752	65	33.464	27.625
20	14.520	13.833	66	34.713	28.535
21	14.620	13.918	67	36.050	29.512
22	14.725	14.006	68	37.481	30.560
23	14.835	14.099	69	39.014	31.687
24	14.951	14.196	70	40.655	32.901
25	15.073	14.297	71	42.414	34.208
26	15.202	14.403	72	44.300	35.621
27	15.338	14.514	73	46.321	37.149
28	15.482	14.630	74	48.488	38.806
29	15.632	14.751	75	50.814	40.606
30	15.792	14.878	76	53.313	42.561
31	15.959	15.012	77	55.998	44.686
32	16.136	15.151	78	58.883	46.996
33	16.323	15.297	79	61.981	49.506
34	16.520	15.451	80	65.303	52.231
35	16.727	15.611	81	68.858	55.187
36	16.947	15.780	82	72.650	58.389
37	17.178	15.957	83	76.677	61.853
38	17.423	16.142	84	80.925	65.593
39	17.681	16.337	85	85.367	69.624
40	17.954	16.541	86	89.956	73.955
41	18.241	16.755	87	94.630	78.595
42	18.546	16.980	88	99.330	83.544
43	18.867	17.217	89	104.000	88.794
44	19.207	17.465	90	108.603	94.323
45	19.566	17.725	91	113.122	100.102
46	19.945	17.999			

* for lump sums paid on or after 1 January 1991 and before 1 July 1995



Actuarial Table 3* (based on ALT 1990-1992)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under Section 25A of the VEA

Age Next Birthday	Males	Females	Age Next Birthday	Males	Females
1	13.000	12.666	47	19.782	17.978
2	12.999	12.667	48	20.174	18.267
3	13.050	12.706	49	20.589	18.571
4	13.104	12.749	50	21.029	18.892
5	13.162	12.794	51	21.495	19.231
6	13.223	12.841	52	21.990	19.589
7	13.287	12.891	53	22.514	19.967
8	13.354	12.942	54	23.071	20.367
9	13.423	12.996	55	23.662	20.790
10	13.495	13.052	56	24.289	21.239
11	13.571	13.110	57	24.954	21.715
12	13.649	13.171	58	25.661	22.221
13	13.731	13.234	59	26.411	22.760
14	13.817	13.299	60	27.209	23.334
15	13.904	13.366	61	28.057	23.946
16	13.995	13.436	62	28.959	24.600
17	14.087	13.508	63	29.918	25.299
18	14.180	13.581	64	30.941	26.048
19	14.274	13.658	65	32.031	26.850
20	14.370	13.737	66	33.194	27.711
21	14.469	13.818	67	34.439	28.637
22	14.571	13.904	68	35.771	29.633
23	14.678	13.993	69	37.201	30.706
24	14.789	14.086	70	38.737	31.863
25	14.906	14.184	71	40.387	33.111
26	15.029	14.286	72	42.162	34.459
27	15.157	14.392	73	44.070	35.916
28	15.292	14.502	74	46.121	37.490
29	15.434	14.618	75	48.322	39.194
30	15.583	14.740	76	50.682	41.038
31	15.739	14.866	77	53.208	43.036
32	15.904	14.999	78	55.908	45.204
33	16.077	15.138	79	58.788	47.556
34	16.260	15.284	80	61.854	50.109
35	16.452	15.436	81	65.114	52.878
36	16.654	15.596	82	68.574	55.879
37	16.868	15.764	83	72.240	59.129
38	17.093	15.940	84	76.118	62.643
39	17.330	16.124	85	80.214	66.436
40	17.581	16.318	86	84.532	70.520
41	17.845	16.521	87	89.076	74.905
42	18.125	16.735	88	93.847	79.596
43	18.420	16.959	89	98.842	84.589
44	18.732	17.195	90	104.058	89.867
45	19.063	17.442	91	109.528	95.394
46	19.412	17.703			

* for lump sums paid on or after 1 July 1995 and before 1 January 2000



Actuarial Table 4* (based on ALT 1995-1997)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under Section 25A of the VEA

Age Next Birthday	Males	Females	Age Next Birthday	Males	Females
1	12.923	12.617	47	19.278	17.721
2	12.934	12.625	48	19.640	17.997
3	12.982	12.664	49	20.024	18.288
4	13.035	12.706	50	20.431	18.594
5	13.090	12.750	51	20.862	18.918
6	13.148	12.796	52	21.320	19.259
7	13.210	12.844	53	21.806	19.620
8	13.274	12.894	54	22.322	20.002
9	13.340	12.946	55	22.871	20.406
10	13.410	13.000	56	23.454	20.834
11	13.482	13.057	57	24.075	21.288
12	13.557	13.115	58	24.735	21.770
13	13.636	13.175	59	25.439	22.283
14	13.717	13.238	60	26.189	22.829
15	13.801	13.303	61	26.988	23.413
16	13.887	13.370	62	27.840	24.036
17	13.975	13.439	63	28.748	24.703
18	14.064	13.511	64	29.716	25.417
19	14.153	13.584	65	30.749	26.183
20	14.244	13.660	66	31.852	27.005
21	14.337	13.740	67	33.029	27.889
22	14.435	13.822	68	34.286	28.841
23	14.536	13.908	69	35.631	29.866
24	14.642	13.999	70	37.072	30.974
25	14.754	14.093	71	38.617	32.171
26	14.870	14.192	72	40.278	33.469
27	14.991	14.294	73	42.071	34.880
28	15.118	14.402	74	44.012	36.415
29	15.252	14.514	75	46.120	38.089
30	15.392	14.630	76	48.409	39.912
31	15.538	14.752	77	50.888	41.898
32	15.692	14.880	78	53.563	44.054
33	15.854	15.013	79	56.441	46.392
34	16.024	15.152	80	59.524	48.920
35	16.202	15.297	81	62.815	51.656
36	16.390	15.450	82	66.315	54.624
37	16.588	15.609	83	70.021	57.856
38	16.796	15.777	84	73.926	61.377
39	17.015	15.953	85	78.016	65.206
40	17.246	16.137	86	82.268	69.353
41	17.490	16.331	87	86.645	73.808
42	17.748	16.534	88	91.090	78.536
43	18.021	16.748	89	95.515	83.481
44	18.309	16.973	90	99.799	88.585
45	18.613	17.210	91	103.788	93.783
46	18.936	17.459			

* for lump sums paid on or after 1 January 2000 and before 1 July 2004



Actuarial Table 5* (based on ALT 2000-2002)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under Section 25A of the VEA

Age Next Birthday	Males	Females	Age Next Birthday	Males	Females
1	12.824	12.556	47	18.655	17.343
2	12.835	12.565	48	18.977	17.597
3	12.881	12.602	49	19.318	17.865
4	12.931	12.643	50	19.679	18.147
5	12.983	12.685	51	20.062	18.444
6	13.038	12.729	52	20.467	18.757
7	13.095	12.775	53	20.898	19.088
8	13.154	12.822	54	21.354	19.438
9	13.216	12.872	55	21.839	19.807
10	13.281	12.924	56	22.354	20.198
11	13.348	12.977	57	22.901	20.612
12	13.418	13.033	58	23.482	21.052
13	13.491	13.091	59	24.099	21.517
14	13.566	13.151	60	24.757	22.013
15	13.644	13.213	61	25.456	22.540
16	13.725	13.276	62	26.201	23.102
17	13.807	13.342	63	26.994	23.703
18	13.890	13.410	64	27.841	24.346
19	13.973	13.480	65	28.745	25.035
20	14.058	13.553	66	29.712	25.775
21	14.146	13.628	67	30.747	26.571
22	14.238	13.707	68	31.858	27.427
23	14.334	13.788	69	33.050	28.350
24	14.434	13.874	70	34.330	29.344
25	14.538	13.962	71	35.707	30.417
26	14.646	14.055	72	37.187	31.575
27	14.758	14.152	73	38.776	32.825
28	14.875	14.253	74	40.484	34.175
29	14.998	14.358	75	42.319	35.635
30	15.127	14.468	76	44.286	37.223
31	15.262	14.583	77	46.395	38.963
32	15.404	14.703	78	48.654	40.873
33	15.553	14.828	79	51.069	42.963
34	15.710	14.959	80	53.652	45.239
35	15.874	15.095	81	56.445	47.704
36	16.047	15.238	82	59.491	50.364
37	16.228	15.388	83	62.788	53.223
38	16.419	15.544	84	66.293	56.283
39	16.619	15.708	85	69.953	59.548
40	16.830	15.880	86	73.711	63.017
41	17.051	16.059	87	77.514	66.691
42	17.285	16.248	88	81.311	70.567
43	17.530	16.446	89	85.060	74.637
44	17.789	16.654	90	88.729	78.889
45	18.063	16.872	91	92.317	83.299
46	18.351	17.102			

* for lump sums paid on or after 1 July 2004 and before 1 January 2010



Actuarial Table 6* (based on ALT 2005-2007)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under Section 25A of the VEA

Age Next Birthday	Males	Females	Age Next Birthday	Males	Females
1	12.742	12.514	47	18.286	17.130
2	12.754	12.523	48	18.585	17.372
3	12.797	12.560	49	18.901	17.627
4	12.844	12.599	50	19.235	17.896
5	12.894	12.639	51	19.588	18.179
6	12.946	12.682	52	19.961	18.478
7	13.000	12.726	53	20.356	18.794
8	13.056	12.772	54	20.775	19.129
9	13.115	12.820	55	21.219	19.484
10	13.176	12.870	56	21.692	19.860
11	13.239	12.922	57	22.196	20.260
12	13.305	12.976	58	22.732	20.685
13	13.374	13.032	59	23.304	21.136
14	13.445	13.089	60	23.913	21.615
15	13.518	13.149	61	24.562	22.126
16	13.595	13.211	62	25.255	22.670
17	13.673	13.274	63	25.994	23.251
18	13.752	13.340	64	26.783	23.873
19	13.832	13.408	65	27.627	24.541
20	13.914	13.478	66	28.531	25.260
21	14.000	13.551	67	29.502	26.035
22	14.088	13.628	68	30.546	26.871
23	14.181	13.707	69	31.672	27.776
24	14.278	13.790	70	32.890	28.754
25	14.378	13.876	71	34.212	29.814
26	14.483	13.966	72	35.654	30.964
27	14.593	14.060	73	37.226	32.213
28	14.707	14.158	74	38.935	33.572
29	14.826	14.260	75	40.782	35.052
30	14.951	14.366	76	42.775	36.669
31	15.081	14.477	77	44.927	38.439
32	15.218	14.593	78	47.257	40.381
33	15.361	14.714	79	49.786	42.513
34	15.510	14.840	80	52.532	44.857
35	15.667	14.972	81	55.516	47.433
36	15.831	15.110	82	58.756	50.261
37	16.003	15.255	83	62.269	53.364
38	16.184	15.405	84	66.068	56.762
39	16.374	15.563	85	70.161	60.474
40	16.573	15.729	86	74.549	64.518
41	16.782	15.902	87	79.217	68.906
42	17.002	16.083	88	84.135	73.645
43	17.233	16.273	89	89.257	78.729
44	17.476	16.472	90	94.531	84.137
45	17.732	16.681	91	99.904	89.835
46	18.002	16.900			

* for lump sums paid on or after 1 January 2010 and before 1 January 2015



Actuarial Table 7* (based on ALT 2010-2012)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under Section 25A of the VEA

Age Next Birthday	Males	Females	Age Next Birthday	Males	Females
1	12.685	12.484	47	18.032	16.993
2	12.701	12.499	48	18.317	17.228
3	12.744	12.535	49	18.618	17.475
4	12.790	12.573	50	18.936	17.735
5	12.838	12.614	51	19.270	18.010
6	12.888	12.655	52	19.624	18.299
7	12.940	12.699	53	19.998	18.605
8	12.994	12.744	54	20.393	18.928
9	13.050	12.791	55	20.811	19.270
10	13.108	12.839	56	21.255	19.632
11	13.169	12.890	57	21.726	20.017
12	13.232	12.943	58	22.228	20.426
13	13.298	12.997	59	22.762	20.861
14	13.366	13.054	60	23.333	21.325
15	13.437	13.112	61	23.942	21.818
16	13.510	13.173	62	24.592	22.345
17	13.585	13.235	63	25.288	22.908
18	13.661	13.299	64	26.034	23.511
19	13.739	13.365	65	26.833	24.159
20	13.819	13.434	66	27.691	24.855
21	13.902	13.505	67	28.614	25.605
22	13.988	13.580	68	29.611	26.414
23	14.079	13.658	69	30.691	27.288
24	14.173	13.739	70	31.861	28.233
25	14.271	13.823	71	33.132	29.257
26	14.374	13.912	72	34.515	30.367
27	14.481	14.003	73	36.020	31.573
28	14.592	14.099	74	37.659	32.888
29	14.708	14.199	75	39.446	34.323
30	14.830	14.303	76	41.395	35.894
31	14.956	14.412	77	43.521	37.621
32	15.088	14.525	78	45.842	39.524
33	15.226	14.643	79	48.380	41.626
34	15.370	14.767	80	51.155	43.950
35	15.521	14.896	81	54.191	46.520
36	15.679	15.030	82	57.512	49.363
37	15.845	15.171	83	61.140	52.504
38	16.019	15.317	84	65.098	55.971
39	16.201	15.471	85	69.411	59.791
40	16.392	15.632	86	74.097	63.993
41	16.593	15.800	87	79.174	68.602
42	16.804	15.976	88	84.649	73.642
43	17.025	16.160	89	90.522	79.132
44	17.258	16.354	90	96.772	85.081
45	17.503	16.557	91	103.350	91.486
46	17.761	16.769			

* for lump sums paid on or after 1 January 2015 and before 1 March 2021



Actuarial Table 8* (based on ALT 2015-2017)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under Section 25A of the VEA

Age Next Birthday	Males	Females	Age Next Birthday	Males	Females
1	12.654	12.461	47	17.862	16.878
2	12.673	12.478	48	18.135	17.106
3	12.716	12.513	49	18.422	17.346
4	12.761	12.551	50	18.725	17.599
5	12.808	12.591	51	19.044	17.865
6	12.857	12.632	52	19.383	18.145
7	12.908	12.675	53	19.740	18.441
8	12.961	12.719	54	20.118	18.754
9	13.016	12.765	55	20.517	19.085
10	13.074	12.813	56	20.940	19.436
11	13.133	12.863	57	21.388	19.807
12	13.195	12.915	58	21.863	20.202
13	13.259	12.968	59	22.367	20.622
14	13.326	13.024	60	22.903	21.069
15	13.395	13.081	61	23.475	21.546
16	13.466	13.140	62	24.085	22.057
17	13.539	13.201	63	24.738	22.604
18	13.614	13.264	64	25.439	23.191
19	13.691	13.329	65	26.193	23.821
20	13.770	13.397	66	27.004	24.498
21	13.852	13.468	67	27.879	25.227
22	13.937	13.542	68	28.823	26.013
23	14.026	13.619	69	29.843	26.862
24	14.118	13.699	70	30.947	27.779
25	14.214	13.782	71	32.143	28.771
26	14.315	13.869	72	33.439	29.848
27	14.419	13.959	73	34.847	31.019
28	14.529	14.053	74	36.379	32.294
29	14.642	14.152	75	38.047	33.686
30	14.761	14.254	76	39.870	35.212
31	14.885	14.360	77	41.866	36.888
32	15.015	14.471	78	44.052	38.730
33	15.150	14.587	79	46.449	40.757
34	15.292	14.708	80	49.077	42.992
35	15.440	14.834	81	51.955	45.457
36	15.594	14.965	82	55.103	48.178
37	15.756	15.102	83	58.540	51.182
38	15.925	15.246	84	62.282	54.500
39	16.102	15.396	85	66.343	58.157
40	16.288	15.552	86	70.729	62.183
41	16.482	15.716	87	75.440	66.603
42	16.685	15.888	88	80.457	71.440
43	16.898	16.068	89	85.745	76.709
44	17.122	16.256	90	91.252	82.399
45	17.357	16.454	91	96.922	88.510
46	17.603	16.661			

* for lump sums paid on or after 1 March 2021 and before 1 March 2026



Actuarial Table 9* (based on ALT 2020-2022)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under Section 25A of the VEA

Age Next Birthday	Males	Females	Age Next Birthday	Males	Females
1	12.629	12.442	47	17.720	16.771
2	12.650	12.459	48	17.986	16.995
3	12.692	12.494	49	18.267	17.229
4	12.736	12.532	50	18.563	17.476
5	12.782	12.571	51	18.874	17.736
6	12.830	12.611	52	19.202	18.010
7	12.881	12.653	53	19.548	18.299
8	12.933	12.697	54	19.914	18.603
9	12.987	12.742	55	20.300	18.926
10	13.043	12.789	56	20.709	19.267
11	13.102	12.838	57	21.142	19.628
12	13.163	12.889	58	21.602	20.012
13	13.226	12.941	59	22.089	20.419
14	13.291	12.996	60	22.608	20.853
15	13.359	13.052	61	23.159	21.314
16	13.428	13.110	62	23.747	21.806
17	13.500	13.170	63	24.375	22.333
18	13.572	13.232	64	25.047	22.896
19	13.647	13.296	65	25.768	23.500
20	13.724	13.363	66	26.542	24.150
21	13.804	13.432	67	27.375	24.851
22	13.887	13.504	68	28.274	25.607
23	13.973	13.579	69	29.245	26.425
24	14.063	13.657	70	30.295	27.308
25	14.157	13.738	71	31.433	28.263
26	14.254	13.823	72	32.670	29.301
27	14.356	13.911	73	34.015	30.431
28	14.462	14.003	74	35.481	31.666
29	14.572	14.099	75	37.083	33.017
30	14.688	14.200	76	38.834	34.497
31	14.809	14.304	77	40.749	36.120
32	14.935	14.413	78	42.847	37.903
33	15.066	14.526	79	45.147	39.862
34	15.204	14.645	80	47.671	42.020
35	15.348	14.768	81	50.444	44.397
36	15.499	14.897	82	53.495	47.023
37	15.657	15.032	83	56.855	49.929
38	15.822	15.173	84	60.556	53.150
39	15.995	15.320	85	64.629	56.722
40	16.177	15.473	86	69.101	60.680
41	16.367	15.634	87	73.992	65.054
42	16.566	15.802	88	79.314	69.868
43	16.775	15.979	89	85.062	75.136
44	16.994	16.163	90	91.202	80.865
45	17.224	16.356	91	97.660	87.053
46	17.466	16.559			

* for lump sums paid on or after 1 March 2026



Veterans' Entitlements Act 1986

Section 30C

Instructions

1. I, Guy Thorburn, Australian Government Actuary, have prepared these Instructions for the purposes of section 30C of the *Veterans' Entitlements Act 1986* (the Act).

Dated this 6th day of January 2026

A handwritten signature in blue ink, appearing to read 'Guy Thorburn'.

Guy Thorburn
Australian Government Actuary



Rate per fortnight of compensation

2. For the purposes of paragraph 30C (1) (d), 30C (2) (d) or 30C (3) (d) of the Act (as the case may be), the “**rate per fortnight**” is determined by the following formula:

$$\text{Compensation rate} \times \text{Indexation factor}$$

Definitions

3. For the purposes of these Instructions:

“**Actuarial factor**” means:

- (a) in respect of a male, the figure set out in column 2 of the Actuarial Table opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **commencing date**;
- (b) in respect of a female, the figure set out in column 3 of the Actuarial Table opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **commencing date**.

“**commencing date**” means:

- (a) the earlier date referred to in paragraph 30C (1) (f) of the Act; or
- (b) the later day referred to in paragraph 30C (2) (f) of the Act; or
- (c) the later day referred to in paragraph 30C (3) (f) of the Act;

as the case may be;

“**Compensation rate**” is

- (a) in relation to the **initial period**—the **Initial rate**;
- (b) in relation to the first six month period after the **initial period**—the **Initial rate**;
- (c) in relation to each subsequent six month period—the **rate per fortnight** for the previous six month period.

“**Index factor**”, in relation to a **relevant period**:

- (a) is the number, calculated to 3 decimal places, ascertained by dividing:
 - (i) if the relevant period starts between 1 January and 30 June (inclusive)—the **index number** for the last preceding December quarter; or
 - (ii) if the relevant period starts between 1 July and 31 December (inclusive)—the **index number** for the last preceding June quarter;

by the highest **index number** in respect of a December or June quarter that preceded that quarter; or



- (b) if the number so ascertained would, if it were calculated to 4 decimal places, end in a number greater than 4—is the number so ascertained increased by 0.001.

“**index number**”, has the same meaning as it has in section 198 of the Act.

“**indexation day**” is 20 March and 20 September of each year.

“**Indexation factor**” is determined by the following table:

Condition	Indexation Factor
in respect of the initial period	1
in respect of each six month period after the initial period if the Index factor is less than 1	1
in respect of each six month period after the initial period if the Index factor is equal to or greater than 1	the Index factor

“**initial period**” means the period beginning on the **lump sum date** and ending immediately before the next **indexation day** after the date of the first application of section 30C to the particular case.

“**Initial rate**” is: $(\text{Lump sum} \times \text{Actuarial factor}) \div 10,000$

“**Lump sum**” means the amount of the lump sum of compensation in dollars.

“**Lump sum date**” means the date of payment of compensation.

“**relevant period**” has the same meaning as it has in section 198 of the Act.

Application

- 4. This Instruction applies to all matters to which section 30C of the Act first applies on and after 1 March 2026.



ACTUARIAL TABLE (BASED ON ALT 2020-2022)

Age Next Birthday	Males	Females	Age Next Birthday	Males	Females
1	12.629	12.442	47	17.720	16.771
2	12.650	12.459	48	17.986	16.995
3	12.692	12.494	49	18.267	17.229
4	12.736	12.532	50	18.563	17.476
5	12.782	12.571	51	18.874	17.736
6	12.830	12.611	52	19.202	18.010
7	12.881	12.653	53	19.548	18.299
8	12.933	12.697	54	19.914	18.603
9	12.987	12.742	55	20.300	18.926
10	13.043	12.789	56	20.709	19.267
11	13.102	12.838	57	21.142	19.628
12	13.163	12.889	58	21.602	20.012
13	13.226	12.941	59	22.089	20.419
14	13.291	12.996	60	22.608	20.853
15	13.359	13.052	61	23.159	21.314
16	13.428	13.110	62	23.747	21.806
17	13.500	13.170	63	24.375	22.333
18	13.572	13.232	64	25.047	22.896
19	13.647	13.296	65	25.768	23.500
20	13.724	13.363	66	26.542	24.150
21	13.804	13.432	67	27.375	24.851
22	13.887	13.504	68	28.274	25.607
23	13.973	13.579	69	29.245	26.425
24	14.063	13.657	70	30.295	27.308
25	14.157	13.738	71	31.433	28.263
26	14.254	13.823	72	32.670	29.301
27	14.356	13.911	73	34.015	30.431
28	14.462	14.003	74	35.481	31.666
29	14.572	14.099	75	37.083	33.017
30	14.688	14.200	76	38.834	34.497
31	14.809	14.304	77	40.749	36.120
32	14.935	14.413	78	42.847	37.903
33	15.066	14.526	79	45.147	39.862
34	15.204	14.645	80	47.671	42.020
35	15.348	14.768	81	50.444	44.397
36	15.499	14.897	82	53.495	47.023
37	15.657	15.032	83	56.855	49.929
38	15.822	15.173	84	60.556	53.150
39	15.995	15.320	85	64.629	56.722
40	16.177	15.473	86	69.101	60.680
41	16.367	15.634	87	73.992	65.054
42	16.566	15.802	88	79.314	69.868
43	16.775	15.979	89	85.062	75.136
44	16.994	16.163	90	91.202	80.865
45	17.224	16.356	91	97.660	87.053
46	17.466	16.559			



Veterans' Entitlements Act 1986

Section 74

Instructions

1. I, Guy Thorburn, Australian Government Actuary, have prepared these Instructions for the purposes of section 74 of the *Veterans' Entitlements Act 1986* (the Act).

Dated this 6th day of January 2026

A handwritten signature in blue ink, appearing to read 'Guy Thorburn'.

Guy Thorburn
Australian Government Actuary



Rate per fortnight of compensation

2. For the purposes of subsection 74 (3), 74 (3A) or 74 (3B) of the Act (as the case may be), the “**rate per fortnight**” is determined by the following formula:

$$\text{Compensation rate} \times \text{Indexation factor}$$

Definitions

3. For the purposes of these Instructions:

“**Actuarial factor**” means:

- (a) in respect of a male, the figure set out in column 2 of the Actuarial Table opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **commencing date**;
- (b) in respect of a female, the figure set out in column 3 of the Actuarial Table opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **commencing date**.

“**commencing date**” means:

- (a) the earlier date referred to in subsection 74 (3) of the Act; or
- (b) the later day referred to in paragraph 74 (3A) (e) of the Act; or
- (c) the later day referred to in paragraph 74 (3B) (e) of the Act;

as the case may be;

“**Compensation rate**” is

- (a) in relation to the **initial period**—the **Initial rate**;
- (b) in relation to the first six month period after the **initial period**—the **Initial rate**;
- (c) in relation to each subsequent six month period—the **rate per fortnight** for the previous six month period.

“**Index factor**”, in relation to a **relevant period**:

- a) is the number, calculated to 3 decimal places, ascertained by dividing:
 - (i) if the relevant period starts between 1 January and 30 June (inclusive)—the **index number** for the last preceding December quarter; or
 - (ii) if the relevant period starts between 1 July and 31 December (inclusive)—the **index number** for the last preceding June quarter;

by the highest **index number** in respect of a December or June quarter that preceded that quarter; or



- (b) if the number so ascertained would, if it were calculated to 4 decimal places, end in a number greater than 4—is the number so ascertained increased by 0.001.

“**index number**”, has the same meaning as it has in section 198 of the Act.

“**indexation day**” is 20 March and 20 September of each year.

“**Indexation factor**” is determined by the following table:

Condition	Indexation Factor
in respect of the initial period	1
in respect of each six month period after the initial period if the Index factor is less than 1	1
in respect of each six month period after the initial period if the Index factor is equal to or greater than 1	the Index factor

“**initial period**” means the period beginning on the **lump sum date** and ending immediately before the next **indexation day** after the date of the first application of section 74 to the particular case.

“**Initial rate**” is: $(\text{Lump sum} \times \text{Actuarial factor}) \div 10,000$

“**Lump sum**” means the amount of the lump sum of compensation in dollars.

“**Lump sum date**” means the date of payment of compensation.

“**relevant period**” has the same meaning as it has in section 198 of the Act.

Application

- 4. This Instruction applies to all matters to which subsection 74 (3), 74 (3A), or 74 (3B) of the Act first applies on and after 1 March 2026.



Actuarial Table (based on ALT 2020-2022)

Age Next Birthday	Males	Females	Age Next Birthday	Males	Females
1	12.629	12.442	47	17.720	16.771
2	12.650	12.459	48	17.986	16.995
3	12.692	12.494	49	18.267	17.229
4	12.736	12.532	50	18.563	17.476
5	12.782	12.571	51	18.874	17.736
6	12.830	12.611	52	19.202	18.010
7	12.881	12.653	53	19.548	18.299
8	12.933	12.697	54	19.914	18.603
9	12.987	12.742	55	20.300	18.926
10	13.043	12.789	56	20.709	19.267
11	13.102	12.838	57	21.142	19.628
12	13.163	12.889	58	21.602	20.012
13	13.226	12.941	59	22.089	20.419
14	13.291	12.996	60	22.608	20.853
15	13.359	13.052	61	23.159	21.314
16	13.428	13.110	62	23.747	21.806
17	13.500	13.170	63	24.375	22.333
18	13.572	13.232	64	25.047	22.896
19	13.647	13.296	65	25.768	23.500
20	13.724	13.363	66	26.542	24.150
21	13.804	13.432	67	27.375	24.851
22	13.887	13.504	68	28.274	25.607
23	13.973	13.579	69	29.245	26.425
24	14.063	13.657	70	30.295	27.308
25	14.157	13.738	71	31.433	28.263
26	14.254	13.823	72	32.670	29.301
27	14.356	13.911	73	34.015	30.431
28	14.462	14.003	74	35.481	31.666
29	14.572	14.099	75	37.083	33.017
30	14.688	14.200	76	38.834	34.497
31	14.809	14.304	77	40.749	36.120
32	14.935	14.413	78	42.847	37.903
33	15.066	14.526	79	45.147	39.862
34	15.204	14.645	80	47.671	42.020
35	15.348	14.768	81	50.444	44.397
36	15.499	14.897	82	53.495	47.023
37	15.657	15.032	83	56.855	49.929
38	15.822	15.173	84	60.556	53.150
39	15.995	15.320	85	64.629	56.722
40	16.177	15.473	86	69.101	60.680
41	16.367	15.634	87	73.992	65.054
42	16.566	15.802	88	79.314	69.868
43	16.775	15.979	89	85.062	75.136
44	16.994	16.163	90	91.202	80.865
45	17.224	16.356	91	97.660	87.053
46	17.466	16.559			



Telephone: 02 6263 4127
E-mail: guy.thorburn@aga.gov.au

6 January 2026

Ms Sophie Gribbin
Assistant Secretary, a/g
Benefits Policy Branch
Department of Veterans Affairs
GPO Box 9998
Brisbane QLD 4001

Dear Ms Gribbin,

ADVICE UNDER THE MILITARY REHABILITATION AND COMPENSATION (CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) ACT 2004 (THE ACT)

In this letter I have set out a table of age-based numbers for application under Regulation 4 of the Military Rehabilitation and Compensation (Consequential and Transitional Provisions) Regulations 2004 which relate to subsection 14(2) of the Act. The tables are also appropriate for use under subsection 13(4) of the Act.

Regulations 4 and 5 are set out at Attachment 2 to this letter.

I have provided a table of aged-based numbers to be applied in cases where the DRCA lump sum is paid on or after 1 March 2026 (but before I provide written advice stating that a new table of factors should be applied).

Since the principles applying here are the same as those that apply under s25A of the Veterans' Entitlements Act 1986 (VEA), it is appropriate that the factors applied here are consistent with those used for VEA purposes. Accordingly, I have adopted the following assumptions for the purpose:

- Mortality is in line with ALT 2020-22; and
- Discount rate is 3% per annum.

Regulation 4 refers to "*age of the person on the day on which the lump sum amount for section 24, 25 or 27 of the DRCA was paid to the person*". For the purpose of this advice, "*age of the person on the day on which the lump sum amount for section 24, 25 or 27 of the DRCA was paid to the person*" means the person's age next birthday on that day.

The age-based numbers should be updated approximately every five years, in line with the publication of the Australian Life Tables (ALT). The publication of ALT provides an appropriate time to review the factors. The next publication of ALT is likely to be towards the end of 2029.

Should you wish to discuss this matter, please do not hesitate to call me on 02 6263 4127 or Jane Miao on 02 6263 4158.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Guy Thorburn". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Guy Thorburn

Australian Government Actuary

ATTACHMENT 1

Age-based numbers for converting a lump sum paid under sections 24, 25 or 27 of the DRCA on or after 1 March 2026 to a weekly amount for the purposes of subsection 13(4) and subsection 14(2) of the MRC(C&TP)A

Age Next Birthday at the date of payment of the lump sum*	Male	Female	Age Next Birthday at the date of payment of the lump sum*	Male	Female
15	1497.2	1532.3	56	965.8	1038.0
16	1489.4	1525.5	57	946.0	1018.9
17	1481.5	1518.6	58	925.9	999.4
18	1473.6	1511.4	59	905.4	979.5
19	1465.5	1504.2	60	884.7	959.1
20	1457.3	1496.7	61	863.6	938.3
21	1448.9	1489.0	62	842.2	917.2
22	1440.2	1481.0	63	820.5	895.6
23	1431.3	1472.9	64	798.5	873.5
24	1422.2	1464.5	65	776.2	851.0
25	1412.8	1455.8	66	753.5	828.1
26	1403.1	1446.9	67	730.6	804.8
27	1393.2	1437.7	68	707.4	781.0
28	1382.9	1428.2	69	683.9	756.9
29	1372.5	1418.5	70	660.2	732.4
30	1361.7	1408.5	71	636.3	707.6
31	1350.6	1350.6	72	612.2	682.6
32	1339.2	1350.6	73	588.0	657.2
33	1327.5	1350.6	74	563.7	631.6
34	1315.4	1350.6	75	539.3	605.8
35	1303.1	1350.6	76	515.0	579.8
36	1290.4	1342.5	77	490.8	553.7
37	1277.4	1330.5	78	466.8	527.7
38	1264.1	1318.2	79	443.0	501.7
39	1250.4	1305.5	80	419.5	476.0
40	1236.4	1292.5	81	396.5	450.5
41	1222.0	1279.2	82	373.9	425.3
42	1207.3	1265.6	83	351.8	400.6
43	1192.3	1251.7	84	330.3	376.3
44	1176.9	1237.4	85	309.5	352.6
45	1161.2	1222.8	86	289.4	329.6
46	1145.1	1207.8	87	270.3	307.4
47	1128.7	1192.5	88	252.2	286.3
48	1112.0	1176.8	89	235.1	266.2
49	1094.9	1160.8	90	219.3	247.3
50	1077.4	1144.4			
51	1059.7	1127.7			
52	1041.6	1110.5			
53	1023.1	1093.0			
54	1004.3	1075.1			
55	985.2	1056.8			

* Age of the person on the day on which the lump sum amount for section 24, 25 or 27 of the DRCA was paid to the person means the person's age next birthday on that day

ATTACHMENT 2**REGULATIONS 4 and 5 of the *Military Rehabilitation and Compensation (Consequential and Transitional Provisions) Regulations 2004*****4 Method of converting lump sum amounts paid under sections 24, 25 and 27 of DRCA into weekly amounts**

- (1) For paragraph 24 (3) (b) of the Act, this regulation sets out the method of converting into a weekly amount the sum of any previous payments of a lump sum to a person under sections 24, 25 and 27 of the DRCA.

Note Subsection 14 (2) of the Act applies regulations made for paragraph 24 (3) (b) of the Act.

- (2) For subregulation (1), and subject to regulation 5, the method is:

$$\frac{\text{current lump sum amount}}{\text{aged based number}}$$

where:

aged based number means the number that is advised by the Australian Government Actuary by reference to the age of the person on the day on which the lump sum amount for section 24, 25 or 27 of the DRCA was paid to the person, and the gender of the person.

current lump sum amount means the amount worked out in accordance with subregulation (3).

- (3) The **current lump sum amount** means the amount worked out using the following formula:

$$\text{previous lump sum amount} \times \frac{\text{maximum amount for the current financial year}}{\text{maximum amount for the relevant financial year}}$$

where:

maximum amount means the maximum amount specified in subsection 24 (9) of the DRCA, as indexed in accordance with section 13 of that Act.

previous lump sum amount means the sum of any amounts previously:

- (a) assessed as payable to the person under sections 24, 25 and 27 of the DRCA; and
 (b) paid as a lump sum or lump sums.

relevant financial year means the financial year in which an amount of compensation was paid to the person under section 24, 25 or 27 of the DRCA.

5 Weekly amount to be indexed

- (1) For the application of these Regulations for subsection 14 (2) of the Act, the weekly amount worked out under regulation 4 is the weekly amount by which the maximum weekly amount of a Special Rate Disability Pension (**SRDP**) must be reduced in the first financial year in which the SRDP is payable.

Note Section 203 of the MRCA provides the day from which an SRDP is payable.

- (2) In the second and subsequent financial years in which the SRDP is payable, the indexation provisions of section 404 of the MRCA apply to the weekly amount worked out under regulation 4 as if a reference to **dollar amount** in that section is a reference to **weekly amount**.



6 January, 2026

Ms Sophie Gribbin
Assistant Secretary, a/g
Benefits Policy Branch
Department of Veterans Affairs
GPO Box 9998
Brisbane QLD 4001

Dear Ms Gribbin,

ADVICE UNDER THE MILITARY REHABILITATION AND COMPENSATION ACT 2004 AND INSTRUCTIONS UNDER THE VETERANS ENTITLEMENTS ACT 1986

I am writing to set out my advice and tables of numbers as required under the *Military Rehabilitation and Compensation Act 2004* (the MRC Act) reflecting the mortality rates in the latest Australian Life Tables (ALT 2020-22).

In particular, in this letter, I have provided advice on:

- converting permanent impairment periodic payments to a lump sum (subsections 78(5) and (6) of the MRC Act);
- converting a superannuation lump sum to a weekly amount for current members (subsection 135(2) of the MRC Act and used in sections 135 and 136) and former members (subsection 116C(2) of the MRC Act and used in sections 116C and 116D);
- age adjusting the additional death benefit (subsection 234(2) of the MRC Act), noting that there is no adjustment until after age 40; and
- converting a wholly dependent partner weekly amount to a lump sum (subsection 236(5) of the MRC Act).

Subsections 78(5) and (6)

The MRC Act provides that a person may choose to convert some or all of certain categories of weekly compensation to a lump sum. Specifically, subsection 78(5) requires that the “weekly amount converted to a lump sum” be calculated in accordance with advice from the Australian Government Actuary (AGA) by reference to the person’s age at the date of notification of their entitlement.

AGA Advice

The **weekly amount converted to a lump sum** is to be obtained by multiplying the **relevant amount** by the **appropriate factor**.

The **relevant amount** is that part of the weekly amount that would otherwise be payable to the person which the person elects to convert to a lump sum.

The **appropriate factor** comes from the table provided (refer Attachment A), by reference to the person’s gender and age at the date of notification of their entitlement.

I have adopted the following assumptions in calculating the factors:

- mortality is in line with ALT 2020-22 (males and females);
- age is age next birthday at the date of the notice;
- a discount rate of 3% per annum; and
- in accordance with subsection 78(6) of the MRC Act, factors cannot be greater than the factor for a male aged 30.

Table of Factors

The table of factors is given at Attachment A to this letter together with some examples to illustrate how they are to be used.

The factors apply in respect of any election which is made on or after 1 March 2026 and before revised advice is issued by the Australian Government Actuary.

Subsection 135(2), used in sections 135 and 136 for former members; and subsection 116C(2), used in sections 116C and 116D for current members

s135 – Amount of compensation for retired person who has received only Commonwealth superannuation lump sum

The MRC Act requires that if the Commonwealth is liable to pay compensation under section 118 (Compensation for incapacitated former members) and the person has received a Commonwealth superannuation lump sum, then the amount of the weekly compensation is worked out using the following formula:

$$\text{Person's Subdivision C compensation amount} = \frac{\text{Person's superannuation lump sum amount}}{\text{Person's superannuation age-based number}}$$

s136 - Amount of compensation for retired person receiving both superannuation pension and lump sum

The MRC Act requires that if the Commonwealth is liable to pay compensation under section 118 (Compensation for incapacitated former members) and the person is receiving a Commonwealth superannuation pension and has received a lump sum, then the amount of the weekly compensation is worked out using the following formula:

$$\text{Person's Subdivision C compensation amount} - \left\{ \begin{array}{l} \text{Person's superannuation} \\ \text{pension amount for the} \\ \text{week} \end{array} \right. + \left. \frac{\text{Person's superannuation lump sum amount}}{\text{Person's superannuation age-based number}} \right\}$$

s116C – Amount of compensation for person who has received only Commonwealth superannuation lump sum

The MRC Act requires that if the Commonwealth is liable to pay compensation under sections 85, 86 or 87 (Compensation for incapacitated full-time members, part-time reservists, cadets and declared members) and the person has received a Commonwealth superannuation lump sum, then the amount of the weekly compensation is worked out using the following formula:

$$\text{Person's Division 1 compensation amount} - \frac{\text{Person's superannuation lump sum amount}}{\text{Person's superannuation age-based number}}$$

s116D - Amount of compensation for person receiving both superannuation pension and lump sum

The MRC Act requires that if the Commonwealth is liable to pay compensation under sections 85, 86 or 87 (Compensation for incapacitated full-time members, part-time reservists, cadets and declared members) and the person is receiving a Commonwealth superannuation pension and has received a lump sum, then the amount of the weekly compensation is worked out using the following formula:

$$\text{Person's Division 1 compensation amount} - \left\{ \begin{array}{l} \text{Person's superannuation} \\ \text{pension amount for the} \\ \text{week} \end{array} \right. + \left. \frac{\text{Person's superannuation lump sum amount}}{\text{Person's superannuation age-based number}} \right\}$$

Under sections 135, 136, 116C and 116D, the **superannuation age-based number** for a person who receives a lump sum under a Commonwealth superannuation scheme means the number that is advised by the AGA by reference to the person's age on the day on which the lump sum is paid.

I have adopted the following assumptions for the purpose of calculating a suitable set of superannuation aged-based numbers:

- mortality is in line with ALT 2020-22 (males and females);
- age is age next birthday at the date on which the lump sum is paid; and
- a discount rate of 5% per annum.

Table of superannuation age-based numbers

The table of superannuation age-based numbers is given at Attachment B to this letter.

The table of superannuation age-based numbers is to be used whenever subsections 135, 136, 116C or 116D are first applied for a person on or after 1 March 2026 and before revised advice is issued by the Australian Government Actuary.

Note that the amount calculated using the table of superannuation age-based numbers under subsections 135, 136, 116C or 116D are fixed for the duration of the Person's Subdivision C/Division 1 compensation amount. That is, the amount is not intended to be indexed from time to time.

Subsection 234(2)

Subsection 234(2) specifies that the amount of lump sum compensation the Commonwealth is liable to pay under section 233 (Compensation for member's death for wholly dependent partners) if the Commission has accepted liability for the member's death, is worked out using the following formula:

$$\begin{array}{l} \text{Partner's age-based number for the lump sum} \\ \text{under paragraph (1)(a)} \end{array} \quad \times \quad \$100,000$$

where the **partner's age-based number** is defined under subsection 234(7) as the number that is advised by the AGA by reference to the partner's age at the date of the member's death.

I have adopted the following assumptions in calculating the numbers for this purpose:

- mortality is in line with ALT 2020-22 (females);
- partner's age at the date of the member's death is the partner's age next birthday;
- a discount rate of 3% pa; and
- the factor is 1 if the partner's age at the date of the member's death is less than or equal to 41.

Table of partner's age-based numbers

The table of partner's age-based numbers for application within subsection 234(2) is given at Attachment C to this letter.

This table of partner's age-based numbers is to be used in the application of subsection 234(2) if the date of the member's death is on or after 1 March 2026 and before revised advice is issued by the Australian Government Actuary.

Subsection 236(5)

Under Section 236, a partner who is eligible to receive a weekly amount in compensation under paragraph 234(1)(b) may choose to convert 25%, 50%, 75% or 100% of the weekly amount to a lump sum. Subsection 236(5) provides for the amount of the lump sum to be worked out using the following formula:

$$\left\{ \begin{array}{l} \text{Partner's age-} \\ \text{based number in} \\ \text{respect of the} \\ \text{lump sum} \end{array} \right\} \times \left\{ \begin{array}{l} \text{Appropriate percentage of the} \\ \text{weekly amount under paragraph} \\ \text{234(1)(b) at the date of the} \\ \text{member's death} \end{array} \right\} - \left\{ \begin{array}{l} \text{Appropriate percentage of} \\ \text{the weekly amounts} \\ \text{already paid to the partner} \end{array} \right\}$$

where the **partner's age-based number**, in respect of a lump sum, means the number that is advised by the AGA by reference to the partner's age at the date of the member's death.

I have adopted the following assumptions for this purpose:

- mortality in line with ALT 2020-22 (males and females);
- the partner's age at the date of the member's death is the partner's age next birthday; and
- a discount rate of 2.5% per annum;

Table of partner's age-based numbers

The table of partner's age-based numbers for application within subsection 236(5) is given at Attachment D to this letter.

This table of partner's age-based numbers is to be used in the application of subsection 236(5) if the date of the member's death is on or after 1 March 2026 and before revised advice is issued by the Australian Government Actuary.

Note that the partner's age-based numbers for use under subsection 234(2) are different from the partner's age-based numbers for use under subsection 236(5).

Conclusion

All of the factors and numbers presented in this letter should be updated from time to time. Australian Life Tables (ALT) is published every five years. The publication of ALT provides an appropriate time to review the factors. The next publication of ALT is likely to be towards the end of 2029.

Should you wish to discuss this matter, please do not hesitate to call me on 02 6263 4127 or Jane Miao on 02 6263 4158.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Guy Thorburn", with a long horizontal flourish extending to the right.

Guy Thorburn
Australian Government Actuary

ATTACHMENT A: Subsection 78(5) of the MRC Act

Factors for converting weekly amount (under s68, 71 or 75(2)) to a lump sum under s78(5)					
Age Next Birthday at the Notice Date	Male	Female	Age Next Birthday at the Notice Date	Male	Female
Up to 31	1350.6	1350.6	61	863.6	938.3
32	1339.2	1350.6	62	842.2	917.2
33	1327.5	1350.6	63	820.5	895.6
34	1315.4	1350.6	64	798.5	873.5
35	1303.1	1350.6	65	776.2	851.0
36	1290.4	1342.5	66	753.5	828.1
37	1277.4	1330.5	67	730.6	804.8
38	1264.1	1318.2	68	707.4	781.0
39	1250.4	1305.5	69	683.9	756.9
40	1236.4	1292.5	70	660.2	732.4
41	1222.0	1279.2	71	636.3	707.6
42	1207.3	1265.6	72	612.2	682.6
43	1192.3	1251.7	73	588.0	657.2
44	1176.9	1237.4	74	563.7	631.6
45	1161.2	1222.8	75	539.3	605.8
46	1145.1	1207.8	76	515.0	579.8
47	1128.7	1192.5	77	490.8	553.7
48	1112.0	1176.8	78	466.8	527.7
49	1094.9	1160.8	79	443.0	501.7
50	1077.4	1144.4	80	419.5	476.0
51	1059.7	1127.7	81	396.5	450.5
52	1041.6	1110.5	82	373.9	425.3
53	1023.1	1093.0	83	351.8	400.6
54	1004.3	1075.1	84	330.3	376.3
55	985.2	1056.8	85	309.5	352.6
56	965.8	1038.0	86	289.4	329.6
57	946.0	1018.9	87	270.3	307.4
58	925.9	999.4	88	252.2	286.3
59	905.4	979.5	89	235.1	266.2
60	884.7	959.1	90 and above	219.3	247.3

The following examples illustrate the use of the factors above.

Note that these examples give the lump sum as at the date of the notice. Depending on payment delays, certain adjustments may need to be made. For example, interest may have to be added, and/or other amounts may have to be deducted

Example 1

In a notice dated 5/3/2026, a male claimant is notified under s76 of entitlement to a weekly amount of \$431.84 under s68. He chooses to convert 100% of this amount to a lump sum under s78. His date of birth is 1/10/1997.

The relevant calculations are as follows:

Appropriate percentage of the weekly amount payable to the person, as at the date of the notice

$$= 100\% \text{ of } \$431.84 = \$431.84$$

Age at date of notice is 28 years and 5 months

Therefore **age next birthday** at the date of notice is 29.

The relevant factor is 1350.6

Therefore, the weekly amount converts to a lump sum of:

$$\$431.84 \times 1350.6 = \$583,243.10$$

Example 2

In a notice dated 25/3/2026, a female claimant is notified under s76 of entitlement to a weekly amount of \$66.94 under s75(2). She chooses to convert 50% of this amount to a lump sum under s78. Her date of birth is 1/9/1992.

The relevant calculations are as follows:

Appropriate percentage of the weekly amount payable to the person, as at the date of the notice

$$= 50\% \text{ of } \$66.96 = \$33.47$$

Age at date of notice is 33 years and 6 months

Therefore **age next birthday** at the date of notice is 34.

The relevant factor is 1350.6

Therefore, the weekly amount converts to a lump sum of:

$$\$33.47 \times 1350.6 = \$45,204.58$$

Example 3

In a notice dated 20/5/2026, a female claimant is notified under s76 of entitlement to a weekly amount of \$181.80 under s68. She chooses to convert 25% of this amount to a lump sum under s78. Her date of birth is 1/4/1981.

The relevant calculations are as follows:

Appropriate percentage of the weekly amount payable to the person, as at the date of the notice

$$= 25\% \text{ of } \$181.80 = \$45.45$$

Age at date of notice is 45 years and 1 month

Therefore **age next birthday** at the date of notice is 46.

The relevant factor is 1207.8

Therefore, the weekly amount converts to a lump sum of:

$$\$45.45 \times 1207.8 = \$54,894.51$$

ATTACHMENT B: Sections 135, 136, 116C and 116D of the MRC Act

Superannuation aged-based numbers under sections 135, 136, 116C and 116D					
Age Next Birthday on the day on which the lump sum is paid	Male	Female	Age Next Birthday on the day on which the lump sum is paid	Male	Female
20	1000.5	1016.0	46	864.4	898.3
21	997.6	1013.5	47	855.8	890.8
22	994.6	1011.0	48	846.9	883.0
23	991.4	1008.3	49	837.7	874.9
24	988.1	1005.5	50	828.2	866.5
25	984.7	1002.5	51	818.4	857.8
26	981.0	999.4	52	808.2	848.7
27	977.3	996.1	53	797.7	839.3
28	973.3	992.7	54	786.8	829.5
29	969.2	989.2	55	775.6	819.4
30	964.9	985.4	56	764.1	808.9
31	960.4	981.5	57	752.2	798.0
32	955.7	977.4	58	739.9	786.7
33	950.8	973.2	59	727.3	775.0
34	945.6	968.7	60	714.2	762.8
35	940.3	964.1	61	700.8	750.2
36	934.7	959.2	62	687.0	737.2
37	928.8	954.2	63	672.9	723.7
38	922.7	948.9	64	658.3	709.7
39	916.4	943.4	65	643.3	695.2
40	909.8	937.7			
41	902.9	931.8			
42	895.8	925.6			
43	888.4	919.2			
44	880.7	912.5			
45	872.7	905.5			

Superannuation age-based numbers under ss135, 136, 116C and 116D for ages other than those given in the Table above can be provided on request.

ATTACHMENT C: Section 234(2) of the MRC Act

Partner's age-based number under s234(2) of the MRC Act			
Partner's age next birthday on the date of the member's death	Partner's age based number	Partner's age next birthday on the date of the member's death	Partner's age based number
Up to 41	1.0000	66	0.6474
42	0.9894	67	0.6291
43	0.9784	68	0.6105
44	0.9673	69	0.5916
45	0.9559	70	0.5725
46	0.9442	71	0.5532
47	0.9322	72	0.5336
48	0.9199	73	0.5138
49	0.9074	74	0.4937
50	0.8946	75	0.4735
51	0.8815	76	0.4532
52	0.8681	77	0.4328
53	0.8544	78	0.4125
54	0.8404	79	0.3922
55	0.8261	80	0.3721
56	0.8114	81	0.3521
57	0.7965	82	0.3325
58	0.7812	83	0.3131
59	0.7657	84	0.2942
60	0.7497	85	0.2756
61	0.7335	86	0.2576
62	0.7170	87	0.2403
63	0.7001	88	0.2238
64	0.6828	89	0.2081
65	0.6653	90	0.1933

Note that the partner's age-based numbers in the table above are for use under s234(2). They are different from the partner's age-based numbers required under s236(5). The partner's age-based numbers required under s236(5) are given next in Attachment D.

Partner's age-based numbers under s 234(2) for ages greater than 90 can be provided on request.

ATTACHMENT D: Section 236(5) of the MRC Act

Partner's age-based numbers for use under s 236(5)					
Partner's age next birthday on the date of the member's death	Male Partner	Female Partner	Partner's age next birthday on the date of the member's death	Male Partner	Female Partner
18	1651.0	1700.2	56	1030.1	1112.1
19	1640.2	1690.3	57	1007.4	1089.9
20	1629.3	1680.1	58	984.5	1067.4
21	1618.1	1669.7	59	961.4	1044.5
22	1606.6	1659.0	60	937.9	1021.2
23	1594.9	1648.0	61	914.2	997.6
24	1582.9	1636.8	62	890.2	973.5
25	1570.6	1625.3	63	865.9	949.1
26	1558.1	1613.5	64	841.4	924.2
27	1545.2	1601.4	65	816.6	899.0
28	1532.1	1589.0	66	791.6	873.5
29	1518.6	1576.4	67	766.3	847.5
30	1504.9	1563.4	68	740.8	821.1
31	1490.8	1550.1	69	715.1	794.5
32	1476.4	1536.5	70	689.3	767.5
33	1461.7	1522.7	71	663.3	740.4
34	1446.6	1508.5	72	637.2	713.0
35	1431.2	1494.0	73	611.1	685.5
36	1415.4	1479.2	74	585.0	657.7
37	1399.3	1464.0	75	558.9	629.8
38	1382.9	1448.6	76	532.9	601.8
39	1366.1	1432.8	77	507.1	573.9
40	1349.0	1416.7	78	481.6	546.0
41	1331.6	1400.3	79	456.4	518.4
42	1313.8	1383.5	80	431.6	491.1
43	1295.6	1366.4	81	407.3	464.1
44	1277.1	1348.9	82	383.6	437.5
45	1258.3	1331.2	83	360.5	411.5
46	1239.2	1313.0	84	338.0	386.0
47	1219.7	1294.6	85	316.3	361.2
48	1199.9	1275.7	86	295.5	337.2
49	1179.8	1256.5	87	275.7	314.1
50	1159.3	1237.0	88	256.9	292.1
51	1138.6	1217.1	89	239.3	271.3
52	1117.5	1196.9	90 and above	223.0	251.8
53	1096.1	1176.2			
54	1074.4	1155.2			
55	1052.4	1133.8			

Note that the partner's age-based numbers in the table above are for use under s236(5). They are different from the partner's age-based numbers required under s234(2). The partner's age-based numbers required under s234(2) are given earlier in Attachment C.



Telephone: 02 6263 4127
E-mail: guy.thorburn@aga.gov.au

6 January 2026

Ms Sophie Gribbin
Assistant Secretary, a/g
Benefits Policy Branch
Department of Veterans Affairs
GPO Box 9998
Brisbane QLD 4001

Dear Ms Gribbin

DISCOUNT RATES USED IN ACTUARIAL FACTORS (OFFSETTING)

The actuarial factors in the various tables required under the *Veterans Entitlements Act 1986* (VEA) and the *Military Compensation and Rehabilitation Act 2004* (MRCA) as well as the consequential and transitional provisions legislation MRC(C&TP)A are based on a set of discount rate assumptions. This letter explains the rationale behind the choice of discount rates used in the calculation of the actuarial factors.

The table below summarises the three discount rates used.

3%	2.5%	5%
S25A VEA	S236 MRCA	S135 MRCA
S30C VEA		S136 MRCA
S74 VEA		S116C MRCA
S78 MRCA		S116D MRCA
S234 MRCA		
S14 MRC(C&TP)A		

Discount rate of 3%

S25A, s30C and s74 of the VEA

S25A of the VEA provides for intermediate and special rate disability pensions (or loss of earnings allowance) payable under the VEA to be reduced to take account of the 'fortnightly equivalent' value of lump sum compensation paid under any of s24, 25 or 27 of the DRCA for the same or other injury or disease.

s30C and s74 of the VEA provide for disability pensions payable under the VEA to be reduced to take account of the 'fortnightly equivalent' value of lump sum compensation paid for the same injury or disease.

Instructions prepared by the Australian Government Actuary under these three sections of the VEA require that the 'fortnightly equivalent' is increased from time to time in line with the CPI.

A major consideration in preparing the instructions is to ensure that the required rate of increase in the offset amount is consistent with the chosen discount rate (and vice versa). As benefits are increased over time in line with CPI, a real discount rate (i.e. net of CPI) can be used in the calculation of the offset amount. I regard a (real) discount rate of 3 per cent per annum as consistent with a realistic long term estimate of the real rate of earnings (relative to the rate of CPI inflation) that might be achieved on an invested lump sum. The 3 per cent long term estimate is largely consistent with assumptions used in other long term Commonwealth schemes and the investment earnings assumptions achieved by retirees over the longer term.

A (real) discount rate of 3 per cent per annum has also been used for many years in tables and instructions prepared by the AGA for use under s30C, s74 and more recently s25A of the VEA and I believe it is not unreasonable to continue its use at this update.

S78 of the MRCA

S78 of the MRCA provides that a person may convert weekly compensation (paid for permanent impairment) into a lump sum.

Weekly compensation paid for permanent impairment under the MRCA increases in line with the rate of CPI inflation (absent any changes to the number of impairment points). This is because the amount of weekly compensation payable is determined as a percentage of the maximum amount of weekly compensation payable (where the percentage depends on the degree of permanent impairment) and the maximum amount of weekly compensation payable increases in line with the rate of CPI inflation.

Since the weekly compensation amount increases in line with the rate of CPI inflation, it is necessary to choose a discount rate consistent with that. Accordingly, the actuarial factors in this table are based on a discount rate of 3 per cent per annum.

S234 of the MRCA

S234 of the MRCA provides for the payment of an 'age-based' lump sum to a wholly dependent partner in the case of certain deaths of ADF members.

The age-based lump sum is somewhat in the nature of general damages. The maximum age-based lump sum increases in line with the rate of CPI inflation. Accordingly, the actuarial factors in this table are based on a discount rate of 3 per cent per annum.

To arrive at age-based numbers for this purpose, we had regard to the lifetime CPI-linked income stream that a given lump sum might be expected to generate for a 40 year old partner. The age-based numbers were then calculated to ensure that the age-based lump sum payable to a partner older than age 40 could be expected to generate an equivalent CPI-linked income stream to the 40 year old partner.

S14 of the MRC(C&TP)A

S14 of the MRC(C&TP)A provides for the conversion of lump sums paid under any of s24, 25 or 27 of the SRCA to be converted to a weekly amount. Thus, the principles that apply here are similar to the principles that apply under s25A of the VEA.

Notably, the MRC(C&TP)A provides explicitly for those weekly amounts to be increased in line with the rate of CPI inflation. In line with all of this, I regard a discount rate of 3 per cent per annum as reasonable for the purpose.

Discount rate of 2.5%

Under s236 of the MRCA, an eligible partner (of a deceased ADF member) who is entitled to a lifetime income stream under s234 of the MRCA may choose to convert part or all of the income stream into a lump sum.

The weekly amount of the underlying income stream is determined by reference to subsection 30(1) of the VEA (war widow/ers pension). Most of the income stream is increased in line with the maximum basic rate of single service pension, with a small component being indexed in line with the CPI. The expectation, therefore, is that the income stream will increase at a rate somewhat faster than the rate of CPI inflation. In line with the discussion above, this points to a discount rate which is lower than the rate used for CPI-linked income streams.

Accordingly, I regard a discount rate of 2.5 per cent per annum as reasonable for this purpose. I note that a discount rate assumption of 2.5 per cent per annum is broadly consistent with certain calculations in the family law legislation which exhibit somewhat similar dynamics to the s236 context.

Discount rate of 5%

S135, s136, s116C and s116D of the MRCA provide that compensation (weekly incapacity) paid to a former member or current member who is incapacitated for work is to be reduced to take account of any Commonwealth superannuation lump sum(s) that the person has received.

The formulae to be used for (effectively) converting the superannuation lump sum to a weekly equivalent do not provide for that weekly equivalent to be indexed. That is, the weekly equivalent is to remain constant for as long as the person is in receipt of weekly compensation in respect of their incapacity for work.

In line with the discussion earlier in this letter, in such a circumstance, a discount rate somewhat higher than 3 per cent per annum is appropriate.

I regard a discount rate of 5 per cent per annum as reasonable for this purpose. Again, this is broadly consistent with the long term net rate of return for retirees.

Conclusion

The discount rates adopted for the various actuarial factors under the VEA and the MRCA have been chosen having regard to the need for consistency with the underlying dynamics of the VEA and MRCA in circumstances where those dynamics point to a particular choice of discount rate. Good examples of this are in relation to s78 of the MRCA and s14 of the MRC(C&TP)A where the scheme dynamics point to a discount rate that is consistent with an underlying income stream that increases in line with the rate of CPI inflation.

In other circumstances (that is, where the scheme dynamics do not point to a particular choice of discount rate), the choice has been made having regard to the benefits of:

- Consistency among the various tables
- Historical consistency and practicality
- Consistency with other assumptions in similar but unrelated contexts such as net returns earned by retirees and Family Law legislation.

The discount factors chosen for s25A, s30C and s74 of the VEA were chosen with both historical consistency and practicality and consistency among the various tables in mind.

Since the change to the indexation of the general rate disability pensions a number of years ago, the benefits of choosing a discount rate that is consistent with increasing the offset amounts in line with the rate of CPI inflation have diminished. However, the benefit of historical consistency and associated administrative practicality, in particular, justify the ongoing adoption of this discount rate along with a continuation of the practice of increasing offset amounts in line with the rate of CPI inflation.

The discount rate chosen for s135, s136, s116C and s116D of the MRCA was chosen for consistency with both the financial dynamics (the offset amount is required to remain fixed) and the other tables.

Similarly, since the underlying income stream in the s236 (MRCA) context increases at a rate somewhat faster than the rate of CPI indexation, a somewhat lower discount rate than 3 per cent per

annum is appropriate. I have adopted a rate of 2.5 per cent per annum and this assumption is consistent with that adopted for the other tables and also in a similar context (i.e. family law).

Should you wish to discuss this matter, please do not hesitate to call me on 02 6263 4127 or Jane Miao on 02 6263 4158.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Guy Thorburn', with a long horizontal flourish extending to the right.

Guy Thorburn
Australian Government Actuary



Australian Government
Australian Government Actuary

Veterans' Entitlements Act 1986

Section 25A

Instructions

1. I, Guy Thorburn, Australian Government Actuary, have prepared these Instructions for the purposes of section 25A of the *Veterans' Entitlements Act 1986* (the Act).

Dated this 20th day of January 2021

A handwritten signature in blue ink, appearing to read 'Guy Thorburn'.

Guy Thorburn
Australian Government Actuary

Fortnightly Amount

2. For the purposes of paragraphs 25A (2) and 25A (3) of the Act, the “**fortnightly amount**” is determined by the following formula:

$$\text{Compensation rate} \times \text{Indexation factor}$$

Definitions

3. For the purposes of these Instructions:

“**Actuarial factor**” means:

- (a) in respect of a male, the figure set out in column 2 of the relevant **Actuarial table** opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **lump sum date**;
- (b) in respect of a female, the figure set out in column 3 of the relevant **Actuarial table** opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **lump sum date**.

“**Actuarial table**” means:

- (a) Table 1 where the **lump sum date** is on or after 1 December 1988 and before 1 January 1991;
- (b) Table 2 where the **lump sum date** is on or after 1 January 1991 and before 1 July 1995;
- (c) Table 3 where the **lump sum date** is on or after 1 July 1995 and before 1 January 2000;
- (d) Table 4 where the **lump sum date** is on or after 1 January 2000 and before 1 July 2004;
- (e) Table 5 where the **lump sum date** is on or after 1 July 2004 and before 1 January 2010;
- (f) Table 6 where the **lump sum date** is on or after 1 January 2010 and before 1 January 2015;
- (g) Table 7 where the **lump sum date** is on or after 1 January 2015 and before 1 March 2021.
- (h) Table 8 where the **lump sum date** is on or after 1 March 2021.

“**Compensation rate**” is

- (a) in relation to the **initial period**—the **Initial rate**;
- (b) in relation to the first six month period after the **initial period**—the **Initial rate**;
- (c) in relation to each subsequent six month period—the **fortnightly amount** for the previous six month period.

“**Index factor**”, in relation to a **relevant period**:

- (a) is the number, calculated to 3 decimal places, ascertained by dividing:
 - (i) if the relevant period starts between 1 January and 30 June (inclusive)—the **index number** for the last preceding December quarter; or
 - (ii) if the relevant period starts between 1 July and 31 December (inclusive)—the **index number** for the last preceding June quarter;

by the highest **index number** in respect of a December or June quarter that preceded that quarter; or

- (b) if the number so ascertained would, if it were calculated to 4 decimal places, end in a number greater than 4—is the number so ascertained increased by 0.001.

“**index number**”, has the same meaning as it has in section 198 of the Act.

“**indexation day**” is 20 March and 20 September of each year.

“**Indexation factor**” is determined by the following table.

Condition	Indexation factor
in respect of the initial period	1
in respect of each six month period after the initial period if the Index factor is less than 1	1
in respect of each six month period after the initial period if the Index factor is equal to or greater than 1	the Index factor

“**initial period**” means the period beginning on the **lump sum date** and ending immediately before the next **indexation day** after the date of the first application of paragraph 25A (3) to the particular case.

“**Initial rate**” is:

$$(\text{Lump sum} \times \text{Actuarial factor}) \div 10,000$$

“**Lump sum**” means the amount of compensation paid under section 24, 25 or 27 of the *Safety, Rehabilitation and Compensation Act 1988* in dollars.

“**Lump sum date**” means the date of payment of compensation under section 24, 25 or 27 of the *Safety, Rehabilitation and Compensation Act 1988*.

“**relevant period**” has the same meaning as it has in section 198 of the Act.

Application

- 4. This Instruction applies to all matters to which section 25A of the Act first applies on and after the date of this Instruction.

Actuarial Table 1* (based on ALT 1980-1982)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	13.202	12.779	47	20.968	18.539
2	13.184	12.764	48	21.421	18.853
3	13.238	12.804	49	21.900	19.184
4	13.297	12.849	50	22.405	19.534
5	13.360	12.897	51	22.939	19.902
6	13.426	12.947	52	23.504	20.291
7	13.496	13.000	53	24.102	20.703
8	13.569	13.055	54	24.735	21.139
9	13.646	13.113	55	25.406	21.602
10	13.726	13.172	56	26.118	22.093
11	13.810	13.234	57	26.875	22.614
12	13.897	13.299	58	27.680	23.168
13	13.988	13.366	59	28.538	23.758
14	14.083	13.436	60	29.451	24.387
15	14.180	13.508	61	30.424	25.059
16	14.281	13.583	62	31.463	25.777
17	14.383	13.660	63	32.570	26.545
18	14.485	13.739	64	33.752	27.369
19	14.585	13.820	65	35.013	28.253
20	14.686	13.905	66	36.359	29.202
21	14.791	13.994	67	37.795	30.224
22	14.901	14.086	68	39.329	31.324
23	15.018	14.183	69	40.966	32.511
24	15.142	14.284	70	42.712	33.793
25	15.273	14.389	71	44.576	35.180
26	15.411	14.500	72	46.565	36.684
27	15.557	14.615	73	48.686	38.318
28	15.710	14.736	74	50.950	40.095
29	15.873	14.862	75	53.365	42.029
30	16.044	14.995	76	55.941	44.134
31	16.226	15.134	77	58.691	46.425
32	16.418	15.280	78	61.628	48.917
33	16.621	15.433	79	64.767	51.626
34	16.836	15.593	80	68.121	54.565
35	17.062	15.760	81	71.706	57.752
36	17.301	15.936	82	75.537	61.198
37	17.554	16.120	83	79.628	64.918
38	17.819	16.313	84	83.991	68.921
39	18.100	16.516	85	88.641	73.215
40	18.396	16.728	86	93.586	77.809
41	18.707	16.950	87	98.832	82.712
42	19.036	17.184	88	104.381	87.929
43	19.382	17.429	89	110.224	93.472
44	19.748	17.686	90	116.337	99.349
45	20.133	17.956	91	122.692	105.571
46	20.539	18.240			

* for lump sums paid on or after 1 December 1988 and before 1 January 1991

Actuarial Table 2* (based on ALT 1985-1987)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under
Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	13.103	12.731	47	20.347	18.287
2	13.091	12.722	48	20.771	18.590
3	13.144	12.763	49	21.221	18.909
4	13.200	12.807	50	21.696	19.245
5	13.260	12.853	51	22.199	19.599
6	13.324	12.903	52	22.732	19.973
7	13.390	12.954	53	23.296	20.368
8	13.461	13.007	54	23.893	20.786
9	13.534	13.063	55	24.525	21.228
10	13.610	13.121	56	25.196	21.698
11	13.689	13.182	57	25.906	22.198
12	13.772	13.245	58	26.660	22.731
13	13.857	13.310	59	27.460	23.298
14	13.946	13.378	60	28.310	23.904
15	14.039	13.449	61	29.214	24.551
16	14.134	13.522	62	30.176	25.243
17	14.231	13.597	63	31.201	25.984
18	14.327	13.673	64	32.295	26.776
19	14.424	13.752	65	33.464	27.625
20	14.520	13.833	66	34.713	28.535
21	14.620	13.918	67	36.050	29.512
22	14.725	14.006	68	37.481	30.560
23	14.835	14.099	69	39.014	31.687
24	14.951	14.196	70	40.655	32.901
25	15.073	14.297	71	42.414	34.208
26	15.202	14.403	72	44.300	35.621
27	15.338	14.514	73	46.321	37.149
28	15.482	14.630	74	48.488	38.806
29	15.632	14.751	75	50.814	40.606
30	15.792	14.878	76	53.313	42.561
31	15.959	15.012	77	55.998	44.686
32	16.136	15.151	78	58.883	46.996
33	16.323	15.297	79	61.981	49.506
34	16.520	15.451	80	65.303	52.231
35	16.727	15.611	81	68.858	55.187
36	16.947	15.780	82	72.650	58.389
37	17.178	15.957	83	76.677	61.853
38	17.423	16.142	84	80.925	65.593
39	17.681	16.337	85	85.367	69.624
40	17.954	16.541	86	89.956	73.955
41	18.241	16.755	87	94.630	78.595
42	18.546	16.980	88	99.330	83.544
43	18.867	17.217	89	104.000	88.794
44	19.207	17.465	90	108.603	94.323
45	19.566	17.725	91	113.122	100.102
46	19.945	17.999			

* for lump sums paid on or after 1 January 1991 and before 1 July 1995

Actuarial Table 3* (based on ALT 1990-1992)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under
Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	13.000	12.666	47	19.782	17.978
2	12.999	12.667	48	20.174	18.267
3	13.050	12.706	49	20.589	18.571
4	13.104	12.749	50	21.029	18.892
5	13.162	12.794	51	21.495	19.231
6	13.223	12.841	52	21.990	19.589
7	13.287	12.891	53	22.514	19.967
8	13.354	12.942	54	23.071	20.367
9	13.423	12.996	55	23.662	20.790
10	13.495	13.052	56	24.289	21.239
11	13.571	13.110	57	24.954	21.715
12	13.649	13.171	58	25.661	22.221
13	13.731	13.234	59	26.411	22.760
14	13.817	13.299	60	27.209	23.334
15	13.904	13.366	61	28.057	23.946
16	13.995	13.436	62	28.959	24.600
17	14.087	13.508	63	29.918	25.299
18	14.180	13.581	64	30.941	26.048
19	14.274	13.658	65	32.031	26.850
20	14.370	13.737	66	33.194	27.711
21	14.469	13.818	67	34.439	28.637
22	14.571	13.904	68	35.771	29.633
23	14.678	13.993	69	37.201	30.706
24	14.789	14.086	70	38.737	31.863
25	14.906	14.184	71	40.387	33.111
26	15.029	14.286	72	42.162	34.459
27	15.157	14.392	73	44.070	35.916
28	15.292	14.502	74	46.121	37.490
29	15.434	14.618	75	48.322	39.194
30	15.583	14.740	76	50.682	41.038
31	15.739	14.866	77	53.208	43.036
32	15.904	14.999	78	55.908	45.204
33	16.077	15.138	79	58.788	47.556
34	16.260	15.284	80	61.854	50.109
35	16.452	15.436	81	65.114	52.878
36	16.654	15.596	82	68.574	55.879
37	16.868	15.764	83	72.240	59.129
38	17.093	15.940	84	76.118	62.643
39	17.330	16.124	85	80.214	66.436
40	17.581	16.318	86	84.532	70.520
41	17.845	16.521	87	89.076	74.905
42	18.125	16.735	88	93.847	79.596
43	18.420	16.959	89	98.842	84.589
44	18.732	17.195	90	104.058	89.867
45	19.063	17.442	91	109.528	95.394
46	19.412	17.703			

* for lump sums paid on or after 1 July 1995 and before 1 January 2000

Actuarial Table 4* (based on ALT 1995-1997)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under
Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.923	12.617	47	19.278	17.721
2	12.934	12.625	48	19.640	17.997
3	12.982	12.664	49	20.024	18.288
4	13.035	12.706	50	20.431	18.594
5	13.090	12.750	51	20.862	18.918
6	13.148	12.796	52	21.320	19.259
7	13.210	12.844	53	21.806	19.620
8	13.274	12.894	54	22.322	20.002
9	13.340	12.946	55	22.871	20.406
10	13.410	13.000	56	23.454	20.834
11	13.482	13.057	57	24.075	21.288
12	13.557	13.115	58	24.735	21.770
13	13.636	13.175	59	25.439	22.283
14	13.717	13.238	60	26.189	22.829
15	13.801	13.303	61	26.988	23.413
16	13.887	13.370	62	27.840	24.036
17	13.975	13.439	63	28.748	24.703
18	14.064	13.511	64	29.716	25.417
19	14.153	13.584	65	30.749	26.183
20	14.244	13.660	66	31.852	27.005
21	14.337	13.740	67	33.029	27.889
22	14.435	13.822	68	34.286	28.841
23	14.536	13.908	69	35.631	29.866
24	14.642	13.999	70	37.072	30.974
25	14.754	14.093	71	38.617	32.171
26	14.870	14.192	72	40.278	33.469
27	14.991	14.294	73	42.071	34.880
28	15.118	14.402	74	44.012	36.415
29	15.252	14.514	75	46.120	38.089
30	15.392	14.630	76	48.409	39.912
31	15.538	14.752	77	50.888	41.898
32	15.692	14.880	78	53.563	44.054
33	15.854	15.013	79	56.441	46.392
34	16.024	15.152	80	59.524	48.920
35	16.202	15.297	81	62.815	51.656
36	16.390	15.450	82	66.315	54.624
37	16.588	15.609	83	70.021	57.856
38	16.796	15.777	84	73.926	61.377
39	17.015	15.953	85	78.016	65.206
40	17.246	16.137	86	82.268	69.353
41	17.490	16.331	87	86.645	73.808
42	17.748	16.534	88	91.090	78.536
43	18.021	16.748	89	95.515	83.481
44	18.309	16.973	90	99.799	88.585
45	18.613	17.210	91	103.788	93.783
46	18.936	17.459			

* for lump sums paid on or after 1 January 2000 and before 1 July 2004

Actuarial Table 5* (based on ALT 2000-2002)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under
Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.824	12.556	47	18.655	17.343
2	12.835	12.565	48	18.977	17.597
3	12.881	12.602	49	19.318	17.865
4	12.931	12.643	50	19.679	18.147
5	12.983	12.685	51	20.062	18.444
6	13.038	12.729	52	20.467	18.757
7	13.095	12.775	53	20.898	19.088
8	13.154	12.822	54	21.354	19.438
9	13.216	12.872	55	21.839	19.807
10	13.281	12.924	56	22.354	20.198
11	13.348	12.977	57	22.901	20.612
12	13.418	13.033	58	23.482	21.052
13	13.491	13.091	59	24.099	21.517
14	13.566	13.151	60	24.757	22.013
15	13.644	13.213	61	25.456	22.540
16	13.725	13.276	62	26.201	23.102
17	13.807	13.342	63	26.994	23.703
18	13.890	13.410	64	27.841	24.346
19	13.973	13.480	65	28.745	25.035
20	14.058	13.553	66	29.712	25.775
21	14.146	13.628	67	30.747	26.571
22	14.238	13.707	68	31.858	27.427
23	14.334	13.788	69	33.050	28.350
24	14.434	13.874	70	34.330	29.344
25	14.538	13.962	71	35.707	30.417
26	14.646	14.055	72	37.187	31.575
27	14.758	14.152	73	38.776	32.825
28	14.875	14.253	74	40.484	34.175
29	14.998	14.358	75	42.319	35.635
30	15.127	14.468	76	44.286	37.223
31	15.262	14.583	77	46.395	38.963
32	15.404	14.703	78	48.654	40.873
33	15.553	14.828	79	51.069	42.963
34	15.710	14.959	80	53.652	45.239
35	15.874	15.095	81	56.445	47.704
36	16.047	15.238	82	59.491	50.364
37	16.228	15.388	83	62.788	53.223
38	16.419	15.544	84	66.293	56.283
39	16.619	15.708	85	69.953	59.548
40	16.830	15.880	86	73.711	63.017
41	17.051	16.059	87	77.514	66.691
42	17.285	16.248	88	81.311	70.567
43	17.530	16.446	89	85.060	74.637
44	17.789	16.654	90	88.729	78.889
45	18.063	16.872	91	92.317	83.299
46	18.351	17.102			

* for lump sums paid on or after 1 July 2004 and before 1 January 2010

Actuarial Table 6* (based on ALT 2005-2007)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under
Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.742	12.514	47	18.286	17.130
2	12.754	12.523	48	18.585	17.372
3	12.797	12.560	49	18.901	17.627
4	12.844	12.599	50	19.235	17.896
5	12.894	12.639	51	19.588	18.179
6	12.946	12.682	52	19.961	18.478
7	13.000	12.726	53	20.356	18.794
8	13.056	12.772	54	20.775	19.129
9	13.115	12.820	55	21.219	19.484
10	13.176	12.870	56	21.692	19.860
11	13.239	12.922	57	22.196	20.260
12	13.305	12.976	58	22.732	20.685
13	13.374	13.032	59	23.304	21.136
14	13.445	13.089	60	23.913	21.615
15	13.518	13.149	61	24.562	22.126
16	13.595	13.211	62	25.255	22.670
17	13.673	13.274	63	25.994	23.251
18	13.752	13.340	64	26.783	23.873
19	13.832	13.408	65	27.627	24.541
20	13.914	13.478	66	28.531	25.260
21	14.000	13.551	67	29.502	26.035
22	14.088	13.628	68	30.546	26.871
23	14.181	13.707	69	31.672	27.776
24	14.278	13.790	70	32.890	28.754
25	14.378	13.876	71	34.212	29.814
26	14.483	13.966	72	35.654	30.964
27	14.593	14.060	73	37.226	32.213
28	14.707	14.158	74	38.935	33.572
29	14.826	14.260	75	40.782	35.052
30	14.951	14.366	76	42.775	36.669
31	15.081	14.477	77	44.927	38.439
32	15.218	14.593	78	47.257	40.381
33	15.361	14.714	79	49.786	42.513
34	15.510	14.840	80	52.532	44.857
35	15.667	14.972	81	55.516	47.433
36	15.831	15.110	82	58.756	50.261
37	16.003	15.255	83	62.269	53.364
38	16.184	15.405	84	66.068	56.762
39	16.374	15.563	85	70.161	60.474
40	16.573	15.729	86	74.549	64.518
41	16.782	15.902	87	79.217	68.906
42	17.002	16.083	88	84.135	73.645
43	17.233	16.273	89	89.257	78.729
44	17.476	16.472	90	94.531	84.137
45	17.732	16.681	91	99.904	89.835
46	18.002	16.900			

* for lump sums paid on or after 1 January 2010 and before 1 January 2015

Actuarial Table 7* (based on ALT 2010-2012)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under
Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.685	12.484	47	18.032	16.993
2	12.701	12.499	48	18.317	17.228
3	12.744	12.535	49	18.618	17.475
4	12.790	12.573	50	18.936	17.735
5	12.838	12.614	51	19.270	18.010
6	12.888	12.655	52	19.624	18.299
7	12.940	12.699	53	19.998	18.605
8	12.994	12.744	54	20.393	18.928
9	13.050	12.791	55	20.811	19.270
10	13.108	12.839	56	21.255	19.632
11	13.169	12.890	57	21.726	20.017
12	13.232	12.943	58	22.228	20.426
13	13.298	12.997	59	22.762	20.861
14	13.366	13.054	60	23.333	21.325
15	13.437	13.112	61	23.942	21.818
16	13.510	13.173	62	24.592	22.345
17	13.585	13.235	63	25.288	22.908
18	13.661	13.299	64	26.034	23.511
19	13.739	13.365	65	26.833	24.159
20	13.819	13.434	66	27.691	24.855
21	13.902	13.505	67	28.614	25.605
22	13.988	13.580	68	29.611	26.414
23	14.079	13.658	69	30.691	27.288
24	14.173	13.739	70	31.861	28.233
25	14.271	13.823	71	33.132	29.257
26	14.374	13.912	72	34.515	30.367
27	14.481	14.003	73	36.020	31.573
28	14.592	14.099	74	37.659	32.888
29	14.708	14.199	75	39.446	34.323
30	14.830	14.303	76	41.395	35.894
31	14.956	14.412	77	43.521	37.621
32	15.088	14.525	78	45.842	39.524
33	15.226	14.643	79	48.380	41.626
34	15.370	14.767	80	51.155	43.950
35	15.521	14.896	81	54.191	46.520
36	15.679	15.030	82	57.512	49.363
37	15.845	15.171	83	61.140	52.504
38	16.019	15.317	84	65.098	55.971
39	16.201	15.471	85	69.411	59.791
40	16.392	15.632	86	74.097	63.993
41	16.593	15.800	87	79.174	68.602
42	16.804	15.976	88	84.649	73.642
43	17.025	16.160	89	90.522	79.132
44	17.258	16.354	90	96.772	85.081
45	17.503	16.557	91	103.350	91.486
46	17.761	16.769			

* for lump sums paid on or after 1 January 2015 and before 1 March 2021

Actuarial Table 8* (based on ALT 2015-2017)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under
Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.654	12.461	47	17.862	16.878
2	12.673	12.478	48	18.135	17.106
3	12.716	12.513	49	18.422	17.346
4	12.761	12.551	50	18.725	17.599
5	12.808	12.591	51	19.044	17.865
6	12.857	12.632	52	19.383	18.145
7	12.908	12.675	53	19.740	18.441
8	12.961	12.719	54	20.118	18.754
9	13.016	12.765	55	20.517	19.085
10	13.074	12.813	56	20.940	19.436
11	13.133	12.863	57	21.388	19.807
12	13.195	12.915	58	21.863	20.202
13	13.259	12.968	59	22.367	20.622
14	13.326	13.024	60	22.903	21.069
15	13.395	13.081	61	23.475	21.546
16	13.466	13.140	62	24.085	22.057
17	13.539	13.201	63	24.738	22.604
18	13.614	13.264	64	25.439	23.191
19	13.691	13.329	65	26.193	23.821
20	13.770	13.397	66	27.004	24.498
21	13.852	13.468	67	27.879	25.227
22	13.937	13.542	68	28.823	26.013
23	14.026	13.619	69	29.843	26.862
24	14.118	13.699	70	30.947	27.779
25	14.214	13.782	71	32.143	28.771
26	14.315	13.869	72	33.439	29.848
27	14.419	13.959	73	34.847	31.019
28	14.529	14.053	74	36.379	32.294
29	14.642	14.152	75	38.047	33.686
30	14.761	14.254	76	39.870	35.212
31	14.885	14.360	77	41.866	36.888
32	15.015	14.471	78	44.052	38.730
33	15.150	14.587	79	46.449	40.757
34	15.292	14.708	80	49.077	42.992
35	15.440	14.834	81	51.955	45.457
36	15.594	14.965	82	55.103	48.178
37	15.756	15.102	83	58.540	51.182
38	15.925	15.246	84	62.282	54.500
39	16.102	15.396	85	66.343	58.157
40	16.288	15.552	86	70.729	62.183
41	16.482	15.716	87	75.440	66.603
42	16.685	15.888	88	80.457	71.440
43	16.898	16.068	89	85.745	76.709
44	17.122	16.256	90	91.252	82.399
45	17.357	16.454	91	96.922	88.510
46	17.603	16.661			

* for lump sums paid on or after 1 March 2021



Australian Government
Australian Government Actuary

Veterans' Entitlements Act 1986

Section 30C

Instructions

1. I, Guy Thorburn, Australian Government Actuary, have prepared these Instructions for the purposes of section 30C of the *Veterans' Entitlements Act 1986* (the Act).

Dated this 20th day of January 2021

A handwritten signature in blue ink, appearing to read 'Guy Thorburn', with a long horizontal flourish extending to the right.

Guy Thorburn
Australian Government Actuary

Rate per fortnight of compensation

2. For the purposes of paragraph 30C (1) (d), 30C (2) (d) or 30C (3) (d) of the Act (as the case may be), the “**rate per fortnight**” is determined by the following formula:

$$\text{Compensation rate} \times \text{Indexation factor}$$

Definitions

3. For the purposes of these Instructions:

“**Actuarial factor**” means:

- (a) in respect of a male, the figure set out in column 2 of the Actuarial Table opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **commencing date**;
- (b) in respect of a female, the figure set out in column 3 of the Actuarial Table opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **commencing date**.

“**commencing date**” means:

- (a) the earlier date referred to in paragraph 30C (1) (f) of the Act; or
 - (b) the later day referred to in paragraph 30C (2) (f) of the Act; or
 - (c) the later day referred to in paragraph 30C (3) (f) of the Act;
- as the case may be;

“**Compensation rate**” is

- (a) in relation to the **initial period**—the **Initial rate**;
- (b) in relation to the first six month period after the **initial period**—the **Initial rate**;
- (c) in relation to each subsequent six month period—the **rate per fortnight** for the previous six month period.

“**Index factor**”, in relation to a **relevant period**:

- (a) is the number, calculated to 3 decimal places, ascertained by dividing:
 - (i) if the relevant period starts between 1 January and 30 June (inclusive)—the **index number** for the last preceding December quarter; or
 - (ii) if the relevant period starts between 1 July and 31 December (inclusive)—the **index number** for the last preceding June quarter;

by the highest **index number** in respect of a December or June quarter that preceded that quarter; or

- (b) if the number so ascertained would, if it were calculated to 4 decimal places, end in a number greater than 4—is the number so ascertained increased by 0.001.

“**index number**”, has the same meaning as it has in section 198 of the Act.

“**indexation day**” is 20 March and 20 September of each year.

“**Indexation factor**” is determined by the following table:

condition	Indexation factor
in respect of the initial period	1
in respect of each six month period after the initial period if the Index factor is less than 1	1
in respect of each six month period after the initial period if the Index factor is equal to or greater than 1	the Index factor

“**initial period**” means the period beginning on the **lump sum date** and ending immediately before the next **indexation day** after the date of the first application of section 30C to the particular case.

“**Initial rate**” is:

$$(\text{Lump sum} \times \text{Actuarial factor}) \div 10,000$$

“**Lump sum**” means the amount of the lump sum of compensation in dollars.

“**Lump sum date**” means the date of payment of compensation.

“**relevant period**” has the same meaning as it has in section 198 of the Act.

Application

4. This Instruction applies to all matters to which section 30C of the Act first applies on and after 1 March 2021.

ACTUARIAL TABLE (BASED ON ALT 2015-2017)

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.654	12.461	47	17.862	16.878
2	12.673	12.478	48	18.135	17.106
3	12.716	12.513	49	18.422	17.346
4	12.761	12.551	50	18.725	17.599
5	12.808	12.591	51	19.044	17.865
6	12.857	12.632	52	19.383	18.145
7	12.908	12.675	53	19.740	18.441
8	12.961	12.719	54	20.118	18.754
9	13.016	12.765	55	20.517	19.085
10	13.074	12.813	56	20.940	19.436
11	13.133	12.863	57	21.388	19.807
12	13.195	12.915	58	21.863	20.202
13	13.259	12.968	59	22.367	20.622
14	13.326	13.024	60	22.903	21.069
15	13.395	13.081	61	23.475	21.546
16	13.466	13.140	62	24.085	22.057
17	13.539	13.201	63	24.738	22.604
18	13.614	13.264	64	25.439	23.191
19	13.691	13.329	65	26.193	23.821
20	13.770	13.397	66	27.004	24.498
21	13.852	13.468	67	27.879	25.227
22	13.937	13.542	68	28.823	26.013
23	14.026	13.619	69	29.843	26.862
24	14.118	13.699	70	30.947	27.779
25	14.214	13.782	71	32.143	28.771
26	14.315	13.869	72	33.439	29.848
27	14.419	13.959	73	34.847	31.019
28	14.529	14.053	74	36.379	32.294
29	14.642	14.152	75	38.047	33.686
30	14.761	14.254	76	39.870	35.212
31	14.885	14.360	77	41.866	36.888
32	15.015	14.471	78	44.052	38.730
33	15.150	14.587	79	46.449	40.757
34	15.292	14.708	80	49.077	42.992
35	15.440	14.834	81	51.955	45.457
36	15.594	14.965	82	55.103	48.178
37	15.756	15.102	83	58.540	51.182
38	15.925	15.246	84	62.282	54.500
39	16.102	15.396	85	66.343	58.157
40	16.288	15.552	86	70.729	62.183
41	16.482	15.716	87	75.440	66.603
42	16.685	15.888	88	80.457	71.440
43	16.898	16.068	89	85.745	76.709
44	17.122	16.256	90	91.252	82.399
45	17.357	16.454	91	96.922	88.510
46	17.603	16.661			



Australian Government
Australian Government Actuary

Veterans' Entitlements Act 1986

Section 74

Instructions

1. I, Guy Thorburn, Australian Government Actuary, have prepared these Instructions for the purposes of section 74 of the *Veterans' Entitlements Act 1986* (the Act).

Dated this 20th day of January 2021

A handwritten signature in blue ink, appearing to read 'Guy Thorburn'.

Guy Thorburn
Australian Government Actuary

Rate per fortnight of compensation

2. For the purposes of subsection 74 (3), 74 (3A) or 74 (3B) of the Act (as the case may be), the “**rate per fortnight**” is determined by the following formula:

$$\text{Compensation rate} \times \text{Indexation factor}$$

Definitions

3. For the purposes of these Instructions:

“**Actuarial factor**” means:

- (a) in respect of a male, the figure set out in column 2 of the Actuarial Table opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **commencing date**;
- (b) in respect of a female, the figure set out in column 3 of the Actuarial Table opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **commencing date**.

“**commencing date**” means:

- (a) the earlier date referred to in subsection 74 (3) of the Act; or
- (b) the later day referred to in paragraph 74 (3A) (e) of the Act; or
- (c) the later day referred to in paragraph 74 (3B) (e) of the Act;

as the case may be;

“**Compensation rate**” is

- (a) in relation to the **initial period**—the **Initial rate**;
- (b) in relation to the first six month period after the **initial period**—the **Initial rate**;
- (c) in relation to each subsequent six month period—the **rate per fortnight** for the previous six month period.

“**Index factor**”, in relation to a **relevant period**:

- a) is the number, calculated to 3 decimal places, ascertained by dividing:
 - (i) if the relevant period starts between 1 January and 30 June (inclusive)—the **index number** for the last preceding December quarter; or
 - (ii) if the relevant period starts between 1 July and 31 December (inclusive)—the **index number** for the last preceding June quarter;

by the highest **index number** in respect of a December or June quarter that preceded that quarter; or

- (b) if the number so ascertained would, if it were calculated to 4 decimal places, end in a number greater than 4—is the number so ascertained increased by 0.001.

“**index number**”, has the same meaning as it has in section 198 of the Act.

“**indexation day**” is 20 March and 20 September of each year.

“**Indexation factor**” is determined by the following table:

condition	Indexation factor
in respect of the initial period	1
in respect of each six month period after the initial period if the Index factor is less than 1	1
in respect of each six month period after the initial period if the Index factor is equal to or greater than 1	the Index factor

“**initial period**” means the period beginning on the **lump sum date** and ending immediately before the next **indexation day** after the date of the first application of section 74 to the particular case.

“**Initial rate**” is:

$$(\text{Lump sum} \times \text{Actuarial factor}) \div 10,000$$

“**Lump sum**” means the amount of the lump sum of compensation in dollars.

“**Lump sum date**” means the date of payment of compensation.

“**relevant period**” has the same meaning as it has in section 198 of the Act.

Application

4. This Instruction applies to all matters to which subsection 74 (3), 74 (3A), or 74 (3B) of the Act first applies on and after 1 March 2021.

Actuarial Table (based on ALT 2015-2017)

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.654	12.461	47	17.862	16.878
2	12.673	12.478	48	18.135	17.106
3	12.716	12.513	49	18.422	17.346
4	12.761	12.551	50	18.725	17.599
5	12.808	12.591	51	19.044	17.865
6	12.857	12.632	52	19.383	18.145
7	12.908	12.675	53	19.740	18.441
8	12.961	12.719	54	20.118	18.754
9	13.016	12.765	55	20.517	19.085
10	13.074	12.813	56	20.940	19.436
11	13.133	12.863	57	21.388	19.807
12	13.195	12.915	58	21.863	20.202
13	13.259	12.968	59	22.367	20.622
14	13.326	13.024	60	22.903	21.069
15	13.395	13.081	61	23.475	21.546
16	13.466	13.140	62	24.085	22.057
17	13.539	13.201	63	24.738	22.604
18	13.614	13.264	64	25.439	23.191
19	13.691	13.329	65	26.193	23.821
20	13.770	13.397	66	27.004	24.498
21	13.852	13.468	67	27.879	25.227
22	13.937	13.542	68	28.823	26.013
23	14.026	13.619	69	29.843	26.862
24	14.118	13.699	70	30.947	27.779
25	14.214	13.782	71	32.143	28.771
26	14.315	13.869	72	33.439	29.848
27	14.419	13.959	73	34.847	31.019
28	14.529	14.053	74	36.379	32.294
29	14.642	14.152	75	38.047	33.686
30	14.761	14.254	76	39.870	35.212
31	14.885	14.360	77	41.866	36.888
32	15.015	14.471	78	44.052	38.730
33	15.150	14.587	79	46.449	40.757
34	15.292	14.708	80	49.077	42.992
35	15.440	14.834	81	51.955	45.457
36	15.594	14.965	82	55.103	48.178
37	15.756	15.102	83	58.540	51.182
38	15.925	15.246	84	62.282	54.500
39	16.102	15.396	85	66.343	58.157
40	16.288	15.552	86	70.729	62.183
41	16.482	15.716	87	75.440	66.603
42	16.685	15.888	88	80.457	71.440
43	16.898	16.068	89	85.745	76.709
44	17.122	16.256	90	91.252	82.399
45	17.357	16.454	91	96.922	88.510
46	17.603	16.661			



Ref No.:

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FOI 4338
Document 11

20 January, 2021

Mr Simon Hill
Assistant Secretary
Policy Development Branch
Department of Veterans Affairs
GPO Box 9998
CANBERRA ACT 2601

Dear Mr Hill

**ADVICE UNDER THE MILITARY REHABILITATION AND COMPENSATION
(CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) ACT 2004 (THE ACT)**

In this letter I have set out a table of age-based numbers for application under Regulation 4 of the *Military Rehabilitation and Compensation (Consequential and Transitional Provisions) Regulations 2004* which relate to subsection 14(2) of the Act. The tables are also appropriate for use under subsection 13(4) of the Act.

Regulations 4 and 5 are set out at Attachment 2 to this letter.

In this letter I have provided a table of aged-based numbers to be applied in cases where the DRCA lump sum is paid on or after 1 March 2021 (but before I provide written advice stating that a new table of factors should be applied).

Since the principles applying here are the same as those that apply under s25A of the *Veterans' Entitlements Act 1986* (VEA), it is appropriate that the factors applied here are consistent with those used for VEA purposes. Accordingly, I have adopted the following assumptions for the purpose:

- Mortality is in line with ALT 2015-17; and
- Discount rate is 3% per annum.

Regulation 4 refers to “age of the person on the day on which the lump sum amount for section 24, 25 or 27 of the DRCA was paid to the person”. For the purpose of this advice, “age of the person on the day on which the lump sum amount for section 24, 25 or 27 of the DRCA was paid to the person” means the person’s age next birthday on that day.

The age-based numbers should be updated approximately every five years, in line with the publication of the Australian Life Tables (ALT), as they provide a means of review. The next publication of ALT is likely to be during 2024.

Should you wish to discuss this matter, please do not hesitate to call me on (02) 6263 4127 or Jane Miao on 02 6263 4158.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Guy Thorburn". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Guy Thorburn
Australian Government Actuary

ATTACHMENT 1

Age-based numbers for converting a lump sum paid under sections 24, 25 or 27 of the DRCA on or after 1 March 2021 to a weekly amount for the purposes of subsection 13(4) and subsection 14(2) of the MRC(C&TP)A					
Age Next Birthday at the date of payment of the lump sum*	Male	Female	Age Next Birthday at the date of payment of the lump sum*	Male	Female
15	1493.1	1529.0	56	955.1	1029.0
16	1485.2	1522.1	57	935.1	1009.7
17	1477.2	1515.0	58	914.8	990.0
18	1469.0	1507.8	59	894.2	969.9
19	1460.8	1500.4	60	873.2	949.3
20	1452.4	1492.8	61	852.0	928.2
21	1443.9	1485.0	62	830.4	906.7
22	1435.0	1476.9	63	808.5	884.8
23	1425.9	1468.6	64	786.2	862.4
24	1416.6	1460.0	65	763.6	839.6
25	1407.0	1451.2	66	740.6	816.4
26	1397.2	1442.1	67	717.4	792.8
27	1387.0	1432.7	68	693.9	768.8
28	1376.6	1423.1	69	670.2	744.6
29	1365.9	1413.3	70	646.3	720.0
30	1354.9	1403.1	71	622.2	695.1
31	1343.6	1393.6	72	598.1	670.1
32	1332.0	1384.6	73	573.9	644.8
33	1320.1	1375.6	74	549.8	619.3
34	1307.9	1366.6	75	525.7	593.7
35	1295.4	1357.6	76	501.6	568.0
36	1282.5	1348.4	77	477.7	542.2
37	1269.3	1339.3	78	454.0	516.4
38	1255.9	1330.9	79	430.6	490.7
39	1242.1	1322.1	80	407.5	465.2
40	1227.9	1313.0	81	384.9	440.0
41	1213.5	1303.6	82	363.0	415.1
42	1198.7	1294.8	83	341.6	390.8
43	1183.6	1285.7	84	321.1	367.0
44	1168.1	1276.3	85	301.5	343.9
45	1152.3	1266.5	86	282.8	321.6
46	1136.2	1256.4	87	265.1	300.3
47	1119.7	1245.9	88	248.6	280.0
48	1102.9	1235.2	89	233.2	260.7
49	1085.7	1224.0	90	219.2	242.7
50	1068.1	1212.4			
51	1050.2	1200.5			
52	1031.9	1188.2			
53	1013.2	1175.5			
54	994.2	1162.4			
55	974.8	1148.9			

* Age of the person on the day on which the lump sum amount for section 24, 25 or 27 of the DRCA was paid to the person means the person's age next birthday on that day

ATTACHMENT 2

REGULATIONS 4 and 5 of the *Military Rehabilitation and Compensation (Consequential and Transitional Provisions) Regulations 2004*4 **Method of converting lump sum amounts paid under sections 24, 25 and 27 of DRCA into weekly amounts**

- (1) For paragraph 24 (3) (b) of the Act, this regulation sets out the method of converting into a weekly amount the sum of any previous payments of a lump sum to a person under sections 24, 25 and 27 of the DRCA.

Note Subsection 14 (2) of the Act applies regulations made for paragraph 24 (3) (b) of the Act.

- (2) For subregulation (1), and subject to regulation 5, the method is:

$$\frac{\text{current lump sum amount}}{\text{aged based number}}$$

where:

aged based number means the number that is advised by the Australian Government Actuary by reference to the age of the person on the day on which the lump sum amount for section 24, 25 or 27 of the DRCA was paid to the person, and the gender of the person.

current lump sum amount means the amount worked out in accordance with subregulation (3).

- (3) The **current lump sum amount** means the amount worked out using the following formula:

$$\text{previous lump sum amount} \times \frac{\text{maximum amount for the current financial year}}{\text{maximum amount for the relevant financial year}}$$

where:

maximum amount means the maximum amount specified in subsection 24 (9) of the DRCA, as indexed in accordance with section 13 of that Act.

previous lump sum amount means the sum of any amounts previously:

- (a) assessed as payable to the person under sections 24, 25 and 27 of the DRCA; and
 (b) paid as a lump sum or lump sums.

relevant financial year means the financial year in which an amount of compensation was paid to the person under section 24, 25 or 27 of the DRCA.

5 Weekly amount to be indexed

- (1) For the application of these Regulations for subsection 14 (2) of the Act, the weekly amount worked out under regulation 4 is the weekly amount by which the maximum weekly amount of a Special Rate Disability Pension (**SRDP**) must be reduced in the first financial year in which the SRDP is payable.

Note Section 203 of the MRCA provides the day from which an SRDP is payable.

- (2) In the second and subsequent financial years in which the SRDP is payable, the indexation provisions of section 404 of the MRCA apply to the weekly amount worked out under regulation 4 as if a reference to **dollar amount** in that section is a reference to **weekly amount**.



Ref No.:

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FOI 4338
Document 12

20 January, 2021

Mr Simon Hill
Assistant Secretary
Policy Development Branch
Department of Veterans' Affairs
GPO Box 9998
CANBERRA ACT 2601

Dear Mr Hill

**ADVICE UNDER THE MILITARY REHABILITATION AND COMPENSATION ACT 2004
AND INSTRUCTIONS UNDER THE VETERANS ENTITLEMENTS ACT 1986**

I am writing to set out my advice and tables of numbers as required under the *Military Rehabilitation and Compensation Act 2004* (the MRC Act) reflecting the mortality rates in the latest Australian Life Tables (ALT 2015-17).

In particular, in this letter, I have provided advice on:

- converting permanent impairment periodic payments to a lump sum (subsections 78(5) and (6) of the MRC Act);
- converting a superannuation lump sum to a weekly amount (subsection 135(2) of the MRC Act and used in sections 135 and 136);
- age adjusting the additional death benefit (subsection 234(2) of the MRC Act), noting that there is no adjustment until after age 40; and
- converting a wholly dependent partner weekly amount to a lump sum (subsection 236(5) of the MRC Act).

Subsections 78(5) and (6)

The MRC Act provides that a person may choose to convert some or all of certain categories of weekly compensation to a lump sum. Specifically, subsection 78(5) requires that the "weekly amount converted to a lump sum" be calculated in accordance with advice from the Australian Government Actuary (AGA) by reference to the person's age at the date of notification of their entitlement.

AGA Advice

The **weekly amount converted to a lump sum** is to be obtained by multiplying the **relevant amount** by the **appropriate factor**.

The **relevant amount** is that part of the weekly amount that would otherwise be payable to the person which the person elects to convert to a lump sum.

The **appropriate factor** comes from the table provided (refer Attachment A), by reference to the person's gender and age at the date of notification of their entitlement.

I have adopted the following assumptions in calculating the factors:

- mortality is in line with ALT 2015-17 (males and females);
- age is age next birthday at the date of the notice;
- a discount rate of 3% per annum; and
- in accordance with subsection 78(6) of the MRC Act, factors cannot be greater than the factor for a male aged 30

Table of Factors

The table of factors is given at Attachment A to this letter together with some examples to illustrate how they are to be used.

The factors apply in respect of any election which is made on or after 1 March 2021 and before revised advice is issued by the Australian Government Actuary.

Subsection 135(2), used in sections 135 and 136***s135 – Amount of compensation for retired person who has received only Commonwealth superannuation lump sum***

The MRC Act requires that if the Commonwealth is liable to pay compensation under section 118 (Compensation for incapacitated former members) and the person has received a Commonwealth superannuation lump sum, then the amount of the weekly compensation is worked out using the following formula:

$$\text{Person's Subdivision C compensation amount} - \frac{\text{Person's superannuation lump sum amount}}{\text{Person's superannuation age-based number}}$$

s136 - Amount of compensation for retired person receiving both superannuation pension and lump sum

The MRC Act requires that if the Commonwealth is liable to pay compensation under section 118 (Compensation for incapacitated former members) and the person is receiving a Commonwealth superannuation pension and has received a lump sum, then the amount of the weekly compensation is worked out using the following formula:

$$\text{Person's Subdivision C compensation amount} - \left\{ \begin{array}{l} \text{Person's superannuation} \\ \text{pension amount for the} \\ \text{week} \end{array} \right. + \left. \frac{\text{Person's superannuation lump sum amount}}{\text{Person's superannuation age-based number}} \right\}$$

Under both sections 135 and 136, the **superannuation age-based number** for a person who receives a lump sum under a Commonwealth superannuation scheme means the number that is advised by the AGA by reference to the person's age on the day on which the lump sum is paid.

I have adopted the following assumptions for the purpose of calculating a suitable set of superannuation aged-based numbers:

- mortality is in line with ALT 2015-17 (males and females);
- age is age next birthday at the date on which the lump sum is paid; and
- a discount rate of 5% per annum.

Table of superannuation age-based numbers

The table of superannuation age-based numbers is given at Attachment B to this letter.

The table of superannuation age-based numbers is to be used whenever subsections 135 or 136 are first applied for a person on or after 1 March 2021 and before revised advice is issued by the Australian Government Actuary.

Note that the amount calculated using the table of superannuation age-based numbers under subsections 135 and 136 are fixed for the duration of the Person's Subdivision C compensation amount. That is, the amount is not intended to be indexed from time to time.

Subsection 234(2)

Subsection 234(2) specifies that the amount of lump sum compensation the Commonwealth is liable to pay under section 233 (Compensation for member's death for wholly dependent partners) if the Commission has accepted liability for the member's death, is worked out using the following formula:

$$\begin{array}{r} \text{Partner's age-based number for the lump sum} \\ \text{under paragraph (1)(a)} \end{array} \quad \times \quad \$100,000$$

where the **partner's age-based number** is defined under subsection 234(7) as the number that is advised by the AGA by reference to the partner's age at the date of the member's death.

I have adopted the following assumptions in calculating the numbers for this purpose:

- mortality is in line with ALT 2015-17 (Females);
- partner's age at the date of the member's death is the partner's age next birthday;
- a discount rate of 3% pa; and
- the factor is 1 if the partner's age at the date of the member's death is less than or equal to 41.

Table of partner's age-based numbers

The table of partner's age-based numbers for application within subsection 234(2) is given at Attachment C to this letter.

This table of partner's age-based numbers is to be used in the application of subsection 234(2) if the date of the member's death is on or after 1 March 2021 and before revised advice is issued by the Australian Government Actuary.

Subsection 236(5)

Under Section 236, a partner who is eligible to receive a weekly amount in compensation under paragraph 234(1)(b) may choose to convert 25%, 50%, 75% or 100% of the weekly amount to a lump sum. Subsection 236(5) provides for the amount of the lump sum to be worked out using the following formula:

$$\left\{ \begin{array}{l} \text{Partner's age-} \\ \text{based number in} \\ \text{respect of the} \\ \text{lump sum} \end{array} \right\} \times \left\{ \begin{array}{l} \text{Appropriate percentage of the} \\ \text{weekly amount under} \\ \text{paragraph 234(1)(b) at the date} \\ \text{of the member's death} \end{array} \right\} = \left\{ \begin{array}{l} \text{Appropriate percentage of} \\ \text{the weekly amounts} \\ \text{already paid to the} \\ \text{partner} \end{array} \right\}$$

where the **partner's age-based number**, in respect of a lump sum, means the number that is advised by the AGA by reference to the partner's age at the date of the member's death.

I have adopted the following assumptions for this purpose:

- mortality in line with ALT 2015-17 (males and females);
- the partner's age at the date of the member's death is the partner's age next birthday; and
- a discount rate of 2.5% per annum;

Table of partner's age-based numbers

The table of partner's age-based numbers for application within subsection 236(5) is given at Attachment D to this letter.

This table of partner's age-based numbers is to be used in the application of subsection 236(5) if the date of the member's death is on or after 1 March 2021 and before revised advice is issued by the Australian Government Actuary.

Note that the partner's age-based numbers for use under subsection 234(2) are different from the partner's age-based numbers for use under subsection 236(5).

Conclusion

All of the factors and numbers presented in this letter should be updated from time to time. Australian Life Tables (ALT) is published every five years. The publication of ALT provides an appropriate time to review the factors. The next publication of ALT is likely to be during 2024.

Should you wish to discuss this matter, please do not hesitate to call me on (02) 6263 4127 or Jane Miao on 02 6263 4158.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Guy Thorburn', with a long horizontal flourish extending to the right.

Guy Thorburn
Australian Government Actuary

ATTACHMENT A: Subsection 78(5) of the MRC Act

Factors for converting weekly amount (under s68, 71 or 75(2)) to a lump sum under s78(5)					
Age Next Birthday at the Notice Date	Male	Female	Age Next Birthday at the Notice Date	Male	Female
Up to 31	1343.6	1343.6	61	852.0	928.2
32	1332.0	1343.6	62	830.4	906.7
33	1320.1	1343.6	63	808.5	884.8
34	1307.9	1343.6	64	786.2	862.4
35	1295.4	1343.6	65	763.6	839.6
36	1282.5	1336.4	66	740.6	816.4
37	1269.3	1324.3	67	717.4	792.8
38	1255.9	1311.9	68	693.9	768.8
39	1242.1	1299.1	69	670.2	744.6
40	1227.9	1286.0	70	646.3	720.0
41	1213.5	1272.6	71	622.2	695.1
42	1198.7	1258.8	72	598.1	670.1
43	1183.6	1244.7	73	573.9	644.8
44	1168.1	1230.3	74	549.8	619.3
45	1152.3	1215.5	75	525.7	593.7
46	1136.2	1200.4	76	501.6	568.0
47	1119.7	1185.0	77	477.7	542.2
48	1102.9	1169.2	78	454.0	516.4
49	1085.7	1153.0	79	430.6	490.7
50	1068.1	1136.4	80	407.5	465.2
51	1050.2	1119.5	81	384.9	440.0
52	1031.9	1102.2	82	363.0	415.1
53	1013.2	1084.5	83	341.6	390.8
54	994.2	1066.4	84	321.1	367.0
55	974.8	1047.9	85	301.5	343.9
56	955.1	1029.0	86	282.8	321.6
57	935.1	1009.7	87	265.1	300.3
58	914.8	990.0	88	248.6	280.0
59	894.2	969.9	89	233.2	260.7
60	873.2	949.3	90 and above	219.2	242.7

The following examples illustrate the use of the factors above.

Note that these examples give the lump sum as at the date of the notice. Depending on payment delays, certain adjustments may need to be made. For example, interest may have to be added, and/or other amounts may have to be deducted

Example 1

In a notice dated 5/3/2021, a male claimant is notified under s76 of entitlement to a weekly amount of \$359.85 under s68. He chooses to convert 100% of this amount to a lump sum under s78. His date of birth is 1/10/1992.

The relevant calculations are as follows:

Appropriate percentage of the weekly amount payable to the person, as at the date of the notice

$$= 100\% \text{ of } \$359.85 = \$359.85$$

Age at date of notice is 28 years and 5 months

Therefore **age next birthday** at the date of notice is 29.

The relevant factor is 1343.6

Therefore, the weekly amount converts to a lump sum of:

$$\$359.85 \times 1343.6 = \$483,494.46$$

Example 2

In a notice dated 25/3/2021, a female claimant is notified under s76 of entitlement to a weekly amount of \$56.16 under s75(2). She chooses to convert 50% of this amount to a lump sum under s78. Her date of birth is 1/9/1987.

The relevant calculations are as follows:

Appropriate percentage of the weekly amount payable to the person, as at the date of the notice

$$= 50\% \text{ of } \$56.16 = \$28.08$$

Age at date of notice is 33 years and 6 months

Therefore **age next birthday** at the date of notice is 34.

The relevant factor is 1343.6

Therefore, the weekly amount converts to a lump sum of:

$$\$28.08 \times 1343.6 = \$37,728.29$$

Example 3

In a notice dated 20/5/2021, a female claimant is notified under s76 of entitlement to a weekly amount of \$158.08 under s68. She chooses to convert 25% of this amount to a lump sum under s78. Her date of birth is 1/4/1976.

The relevant calculations are as follows:

Appropriate percentage of the weekly amount payable to the person, as at the date of the notice

$$= 25\% \text{ of } \$158.08 = \$39.52$$

Age at date of notice is 45 years and 1 month

Therefore **age next birthday** at the date of notice is 46.

The relevant factor is 1200.4

Therefore, the weekly amount converts to a lump sum of:

$$\$39.52 \times 1200.4 = \$47,439.81$$

ATTACHMENT B: Sections 135 and 136 of the MRC Act

Superannuation aged-based numbers under sections 135 and 136					
Age Next Birthday on the day on which the lump sum is paid	Male	Female	Age Next Birthday on the day on which the lump sum is paid	Male	Female
20	998.8	1014.7	46	859.7	894.6
21	995.8	1012.2	47	851.0	887.0
22	992.7	1009.6	48	842.0	879.1
23	989.4	1006.8	49	832.7	870.9
24	986.0	1003.9	50	823.1	862.3
25	982.4	1000.8	51	813.1	853.5
26	978.7	997.6	52	802.7	844.2
27	974.8	994.3	53	792.0	834.7
28	970.7	990.8	54	780.9	824.7
29	966.5	987.1	55	769.5	814.4
30	962.0	983.3	56	757.7	803.7
31	957.3	979.3	57	745.5	792.7
32	952.5	975.1	58	733.0	781.1
33	947.4	970.8	59	720.2	769.2
34	942.1	966.2	60	706.9	756.8
35	936.6	961.5	61	693.3	743.9
36	930.9	956.6	62	679.3	730.6
37	924.9	951.4	63	664.8	716.7
38	918.7	946.1	64	649.9	702.4
39	912.3	940.5	65	634.6	687.6
40	905.6	934.7			
41	898.6	928.7			
42	891.4	922.4			
43	883.9	915.8			
44	876.1	909.1			
45	868.0	902.0			

Superannuation age-based numbers under ss135 and 136 for ages other than those given in the Table above can be provided on request.

ATTACHMENT C: Section 234(2) of the MRC Act

Partner's age-based number under s234(2) of the MRC Act			
Partner's age next birthday on the date of the member's death	Partner's age based number	Partner's age next birthday on the date of the member's death	Partner's age based number
Up to 41	1.0000	66	0.6415
42	0.9892	67	0.6230
43	0.9781	68	0.6042
44	0.9668	69	0.5851
45	0.9552	70	0.5658
46	0.9433	71	0.5463
47	0.9312	72	0.5265
48	0.9188	73	0.5067
49	0.9060	74	0.4867
50	0.8930	75	0.4666
51	0.8797	76	0.4463
52	0.8661	77	0.4261
53	0.8522	78	0.4058
54	0.8380	79	0.3856
55	0.8235	80	0.3656
56	0.8086	81	0.3457
57	0.7935	82	0.3262
58	0.7780	83	0.3071
59	0.7621	84	0.2884
60	0.7460	85	0.2702
61	0.7294	86	0.2527
62	0.7125	87	0.2360
63	0.6953	88	0.2200
64	0.6777	89	0.2049
65	0.6598	90	0.1907

Note that the partner's age-based numbers in the table above are for use under s234(2). They are different from the partner's age-based numbers required under s236(5). The partner's age-based numbers required under s236(5) are given next in Attachment D.

Partner's age-based numbers under s 234(2) for ages greater than 90 can be provided on request.

ATTACHMENT D: Section 236(5) of the MRC Act

Partner's age-based numbers for use under s 236(5)					
Partner's age next birthday on the date of the member's death	Male Partner	Female Partner	Partner's age next birthday on the date of the member's death	Male Partner	Female Partner
18	1644.9	1695.3	56	1017.9	1101.7
19	1634.0	1685.2	57	995.1	1079.4
20	1622.8	1674.9	58	972.0	1056.7
21	1611.5	1664.3	59	948.7	1033.5
22	1599.8	1653.5	60	925.1	1010.0
23	1587.9	1642.3	61	901.2	986.1
24	1575.7	1630.9	62	877.0	961.8
25	1563.3	1619.3	63	852.5	937.0
26	1550.5	1607.3	64	827.8	911.9
27	1537.4	1595.0	65	802.7	886.3
28	1524.1	1582.5	66	777.4	860.5
29	1510.4	1569.7	67	751.9	834.3
30	1496.4	1556.6	68	726.1	807.8
31	1482.1	1543.1	69	700.2	781.0
32	1467.5	1529.4	70	674.2	754.0
33	1452.5	1515.4	71	648.2	726.9
34	1437.3	1501.1	72	622.1	699.5
35	1421.7	1486.5	73	596.1	672.0
36	1405.8	1471.6	74	570.2	644.5
37	1389.5	1456.3	75	544.4	616.9
38	1373.0	1440.8	76	518.7	589.2
39	1356.1	1424.9	77	493.3	561.6
40	1338.9	1408.6	78	468.2	534.1
41	1321.3	1392.1	79	443.4	506.8
42	1303.4	1375.1	80	419.1	479.7
43	1285.2	1357.9	81	395.3	453.0
44	1266.7	1340.3	82	372.3	426.8
45	1247.8	1322.4	83	350.0	401.2
46	1228.6	1304.2	84	328.6	376.3
47	1209.1	1285.5	85	308.1	352.1
48	1189.2	1266.6	86	288.7	328.9
49	1169.0	1247.3	87	270.4	306.7
50	1148.4	1227.6	88	253.3	285.6
51	1127.5	1207.5	89	237.4	265.7
52	1106.2	1187.1	90 and above	222.9	247.1
53	1084.6	1166.3			
54	1062.7	1145.2			
55	1040.4	1123.6			

Note that the partner's age-based numbers in the table above are for use under s236(5). They are different from the partner's age-based numbers required under s234(2). The partner's age-based numbers required under s234(2) are given earlier in Attachment C.



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FOI 4338
Document 13

20 January, 2021

Mr Simon Hill
Assistant Secretary
Policy Development Branch
Department of Veterans Affairs
GPO Box 9998
CANBERRA ACT 2601

Dear Mr Hill

DISCOUNT RATES USED IN ACTUARIAL FACTORS (OFFSETTING)

The actuarial factors in the various tables required under the *Veterans Entitlements Act 1986* (VEA) and the *Military Compensation and Rehabilitation Act 2004* (MRCA) as well as the consequential and transitional provisions legislation MRC(C&TP)A are based on a set of discount rate assumptions. This letter explains the rationale behind the choice of discount rates used in the calculation of the actuarial factors.

The table below summarises the three discount rates used.

3%	2.5%	5%
S25A VEA	S236 MRCA	S135 MRCA
S30C VEA		S136 MRCA
S74 VEA		
S78 MRCA		
S234 MRCA		
S14 MRC(C&TP)A		

3%

S25A, s30C and s74 of the VEA

S25A of the VEA provides for intermediate and special rate disability pensions (or loss of earnings allowance) payable under the VEA to be reduced to take account of the 'fortnightly equivalent' value of lump sum compensation paid under any of s24, 25 or 27 of the DRCA for the same or other injury or disease.

s30C and s74 of the VEA provide for disability pensions payable under the VEA to be reduced to take account of the 'fortnightly equivalent' value of lump sum compensation paid for the same injury or disease.

Instructions prepared by the Australian Government Actuary under these three sections of the VEA require that the 'fortnightly equivalent' is increased from time to time in line with the CPI.

A major consideration in preparing the instructions is to ensure that the required rate of increase in the offset amount is consistent with the chosen discount rate (and vice versa). As benefits are increased over time in line with CPI, a real discount rate (i.e. net of CPI) can be used in the calculation of the offset amount. I regard a (real) discount rate of 3 per cent per annum as consistent with a realistic long term estimate of the real rate of earnings (relative to the rate of CPI inflation) that might be achieved on an invested lump sum. The 3 per cent long term estimate is largely consistent with assumptions used in other long term Commonwealth schemes and the investment earnings assumptions for retirees used in the recently released Retirement Income Review by Treasury.

A (real) discount rate of 3 per cent per annum has also been used for many years in tables and instructions prepared by the AGA for use under s30C, s74 and more recently s25A of the VEA and I believe it is not unreasonable to continue its use at this update.

S78 of the MRCA

S78 of the MRCA provides that a person may convert weekly compensation (paid for permanent impairment) into a lump sum.

Weekly compensation paid for permanent impairment under the MRCA increases in line with the rate of CPI inflation (absent any changes to the number of impairment points). This is because the amount of weekly compensation payable is determined as a percentage of the maximum amount of weekly compensation payable (where the percentage depends on the degree of permanent impairment) and the maximum amount of weekly compensation payable increases in line with the rate of CPI inflation.

Since weekly compensation amount increases in line with the rate of CPI inflation, it is necessary to choose a discount rate consistent with that.

Accordingly, the actuarial factors in this table are based on a discount rate of 3 per cent per annum.

S234 of the MRCA

S234 of the MRCA provides for the payment of an 'age-based' lump sum to a wholly dependent partner in the case of certain deaths of ADF members.

The age-based lump sum is somewhat in the nature of general damages. The maximum age-based lump sum increases in line with the rate of CPI inflation.

To arrive at age-based numbers for the purpose, we had regard to the lifetime CPI-linked income stream that a given lump sum might be expected to generate for a 40 year old partner. The age-based numbers were then calculated to ensure that the age-based lump sum payable to a partner older than age 40 could be expected to generate an equivalent CPI-linked income stream to the 40 year old partner.

S14 of the MRC(C&TP)A

S14 of the MRC(C&TP)A provides for the conversion of lump sums paid under any of s24, 25 or 27 of the SRCA to be converted to a weekly amount.

Thus, the principles that apply here are similar to the principles that apply under s25A of the VEA.

Notably, the MRC(C&TP)A provides explicitly for those weekly amounts to be increased in line with the rate of CPI inflation.

In line with all of this, I regard a discount rate of 3 per cent per annum as reasonable for the purpose.

2.5%

Under s236 of the MRCA, an eligible partner (of a deceased ADF member) who is entitled to a lifetime income stream under s234 of the MRCA may choose to convert part or all of the income stream into a lump sum.

The weekly amount of the underlying income stream is determined by reference to subsection 30(1) of the VEA (war widow/ers pension).

Most of the income stream is increased in line with the maximum basic rate of single service pension, with a small component being indexed in line with the CPI.

In expectation, therefore, the income stream will increase at a rate somewhat faster than the rate of CPI inflation.

In line with the discussion above, this points to a discount rate which is lower than the rate used for CPI-linked income streams.

Accordingly, I regard a discount rate of 2.5 per cent per annum as reasonable for this purpose. I note that a discount rate assumption of 2.5 per cent per annum underpins certain calculations in the family law legislation which exhibit somewhat similar dynamics to the s236 context.

5%

S135 and s136 of the MRCA provide that compensation (weekly incapacity) paid to a member who is incapacitated for work is to be reduced to take account of any Commonwealth superannuation lump sum(s) that the person has received.

The formulae to be used for (effectively) converting the superannuation lump sum to a weekly equivalent do not provide for that weekly equivalent to be indexed. That is, the weekly equivalent is to remain constant for as long as the person is in receipt of weekly compensation in respect of their incapacity for work.

In line with the discussion earlier in this letter, in such a circumstance, a discount rate somewhat higher than 3 per cent per annum is appropriate.

I regard a discount rate of 5 per cent per annum as reasonable for this purpose. Again, this is broadly consistent with the assumptions adopted in the Retirement Income Review regarding the long term rate of net returns for retirees in the retirement phase, which was in the range of 5 per cent to 5.5 per cent after fees and taxes.

Conclusion

The discount rates adopted for the various actuarial factors under the VEA and the MRCA have been chosen having regard to the need for consistency with the underlying dynamics of the VEA and MRCA in circumstances where those dynamics point to a particular choice of discount rate. Good examples of this are in relation to s78 of the MRCA and s14 of the MRC(C&TP)A where the scheme dynamics point to a discount rate that is consistent with an underlying income stream that increases in line with the rate of CPI inflation.

In other circumstances (that is, where the scheme dynamics do not point to a particular choice of discount rate), the choice has been made having regard to the benefits of:

- Consistency among the various tables
- Historical consistency and practicality
- Consistency with other similar assumptions in similar but unrelated contexts such as the Retirement Income Review and Family Law

The discount factors chosen for s25A, s30C and s74 of the VEA were chosen with both historical consistency and practicality and consistency among the various tables in mind. Since the change to the indexation of the general rate disability pensions a number of years ago, the benefits of choosing a discount rate that is consistent with increasing the offset amounts in line with the rate of CPI inflation have diminished. However, the benefit of historical consistency and associated administrative practicality, in particular, justify the ongoing adoption of this discount rate along with a continuation of the practice of increasing offset amounts in line with the rate of CPI inflation.

The discount rate chosen for s134 and s136 of the MRCA was chosen for consistency with both the financial dynamics (the offset amount is required to remain fixed) and the other tables.

Similarly, since the underlying income stream in the s236 (MRCA) context increases at a rate somewhat faster than the rate of CPI indexation, a somewhat lower discount rate than 3 per cent per annum is appropriate. I have adopted a rate of 2.5 per cent per annum and this assumption is consistent with that adopted for the other tables and also in a not wholly dissimilar context (e.g. family law).

Should you wish to discuss this matter, please do not hesitate to call me on (02) 6263 4127 or Jane Miao on 02 6263 4158.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Guy Thorburn', with a long horizontal flourish extending to the right.

Guy Thorburn
Australian Government Actuary



Australian Government
Australian Government Actuary

Veterans' Entitlements Act 1986

Section 25A

Instructions

1. I, Peter Martin, Australian Government Actuary, have prepared these Instructions for the purposes of section 25A of the *Veterans' Entitlements Act 1986* (the Act).

Dated this 11th day of March 2015

A handwritten signature in black ink, appearing to be 'Peter Martin'.

Peter Martin
Australian Government Actuary

Fortnightly Amount

2. For the purposes of paragraphs 25A (2) and 25A (3) of the Act, the “**fortnightly amount**” is determined by the following formula:

$$\text{Compensation rate} \times \text{Indexation factor}$$

Definitions

3. For the purposes of these Instructions:

“**Actuarial factor**” means:

- (a) in respect of a male, the figure set out in column 2 of the relevant **Actuarial table** opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **lump sum date**;
- (b) in respect of a female, the figure set out in column 3 of the relevant **Actuarial table** opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **lump sum date**.

“**Actuarial table**” means:

- (a) Table 1 where the **lump sum date** is on or after 1 December 1988 and before 1 January 1991;
- (b) Table 2 where the **lump sum date** is on or after 1 January 1991 and before 1 July 1995;
- (c) Table 3 where the **lump sum date** is on or after 1 July 1995 and before 1 January 2000;
- (d) Table 4 where the **lump sum date** is on or after 1 January 2000 and before 1 July 2004;
- (e) Table 5 where the **lump sum date** is on or after 1 July 2004 and before 1 January 2010;
- (f) Table 6 where the **lump sum date** is on or after 1 January 2010 and before 1 January 2015.
- (g) Table 7 where the **lump sum date** is on or after 1 January 2015.

“**Compensation rate**” is

- (a) in relation to the **initial period**—the **Initial rate**;
- (b) in relation to the first six month period after the **initial period**—the **Initial rate**;
- (c) in relation to each subsequent six month period—the **fortnightly amount** for the previous six month period.

“**Index factor**”, in relation to a **relevant period**:

- (a) is the number, calculated to 3 decimal places, ascertained by dividing:
- (i) if the relevant period starts between 1 January and 30 June (inclusive)—the **index number** for the last preceding December quarter; or
 - (ii) if the relevant period starts between 1 July and 31 December (inclusive)—the **index number** for the last preceding June quarter;
- by the highest **index number** in respect of a December or June quarter that preceded that quarter; or
- (b) if the number so ascertained would, if it were calculated to 4 decimal places, end in a number greater than 4—is the number so ascertained increased by 0.001.

“**index number**”, has the same meaning as it has in section 198 of the Act.

“**indexation day**” is 20 March and 20 September of each year.

“**Indexation factor**” is determined by the following table.

Condition	Indexation factor
in respect of the initial period	1
in respect of each six month period after the initial period if the Index factor is less than 1	1
in respect of each six month period after the initial period if the Index factor is equal to or greater than 1	the Index factor

“**initial period**” means the period beginning on the **lump sum date** and ending immediately before the next **indexation day** after the date of the first application of paragraph 25A (3) to the particular case.

“**Initial rate**” is:

$$(\text{Lump sum} \times \text{Actuarial factor}) \div 10,000$$

“**Lump sum**” means the amount of compensation paid under section 24, 25 or 27 of the *Safety, Rehabilitation and Compensation Act 1988* in dollars.

“**Lump sum date**” means the date of payment of compensation under section 24, 25 or 27 of the *Safety, Rehabilitation and Compensation Act 1988*.

“**relevant period**” has the same meaning as it has in section 198 of the Act.

Application

4. This Instruction applies to all matters to which section 25A of the Act first applies on and after the date of this Instruction.

Actuarial Table 1* (based on ALT 1980-1982)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	13.202	12.779	47	20.968	18.539
2	13.184	12.764	48	21.421	18.853
3	13.238	12.804	49	21.900	19.184
4	13.297	12.849	50	22.405	19.534
5	13.360	12.897	51	22.939	19.902
6	13.426	12.947	52	23.504	20.291
7	13.496	13.000	53	24.102	20.703
8	13.569	13.055	54	24.735	21.139
9	13.646	13.113	55	25.406	21.602
10	13.726	13.172	56	26.118	22.093
11	13.810	13.234	57	26.875	22.614
12	13.897	13.299	58	27.680	23.168
13	13.988	13.366	59	28.538	23.758
14	14.083	13.436	60	29.451	24.387
15	14.180	13.508	61	30.424	25.059
16	14.281	13.583	62	31.463	25.777
17	14.383	13.660	63	32.570	26.545
18	14.485	13.739	64	33.752	27.369
19	14.585	13.820	65	35.013	28.253
20	14.686	13.905	66	36.359	29.202
21	14.791	13.994	67	37.795	30.224
22	14.901	14.086	68	39.329	31.324
23	15.018	14.183	69	40.966	32.511
24	15.142	14.284	70	42.712	33.793
25	15.273	14.389	71	44.576	35.180
26	15.411	14.500	72	46.565	36.684
27	15.557	14.615	73	48.686	38.318
28	15.710	14.736	74	50.950	40.095
29	15.873	14.862	75	53.365	42.029
30	16.044	14.995	76	55.941	44.134
31	16.226	15.134	77	58.691	46.425
32	16.418	15.280	78	61.628	48.917
33	16.621	15.433	79	64.767	51.626
34	16.836	15.593	80	68.121	54.565
35	17.062	15.760	81	71.706	57.752
36	17.301	15.936	82	75.537	61.198
37	17.554	16.120	83	79.628	64.918
38	17.819	16.313	84	83.991	68.921
39	18.100	16.516	85	88.641	73.215
40	18.396	16.728	86	93.586	77.809
41	18.707	16.950	87	98.832	82.712
42	19.036	17.184	88	104.381	87.929
43	19.382	17.429	89	110.224	93.472
44	19.748	17.686	90	116.337	99.349
45	20.133	17.956	91	122.692	105.571
46	20.539	18.240			

* for lump sums paid on or after 1 December 1988 and before 1 January 1991

Actuarial Table 2* (based on ALT 1985-1987)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under
Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	13.103	12.731	47	20.347	18.287
2	13.091	12.722	48	20.771	18.590
3	13.144	12.763	49	21.221	18.909
4	13.200	12.807	50	21.696	19.245
5	13.260	12.853	51	22.199	19.599
6	13.324	12.903	52	22.732	19.973
7	13.390	12.954	53	23.296	20.368
8	13.461	13.007	54	23.893	20.786
9	13.534	13.063	55	24.525	21.228
10	13.610	13.121	56	25.196	21.698
11	13.689	13.182	57	25.906	22.198
12	13.772	13.245	58	26.660	22.731
13	13.857	13.310	59	27.460	23.298
14	13.946	13.378	60	28.310	23.904
15	14.039	13.449	61	29.214	24.551
16	14.134	13.522	62	30.176	25.243
17	14.231	13.597	63	31.201	25.984
18	14.327	13.673	64	32.295	26.776
19	14.424	13.752	65	33.464	27.625
20	14.520	13.833	66	34.713	28.535
21	14.620	13.918	67	36.050	29.512
22	14.725	14.006	68	37.481	30.560
23	14.835	14.099	69	39.014	31.687
24	14.951	14.196	70	40.655	32.901
25	15.073	14.297	71	42.414	34.208
26	15.202	14.403	72	44.300	35.621
27	15.338	14.514	73	46.321	37.149
28	15.482	14.630	74	48.488	38.806
29	15.632	14.751	75	50.814	40.606
30	15.792	14.878	76	53.313	42.561
31	15.959	15.012	77	55.998	44.686
32	16.136	15.151	78	58.883	46.996
33	16.323	15.297	79	61.981	49.506
34	16.520	15.451	80	65.303	52.231
35	16.727	15.611	81	68.858	55.187
36	16.947	15.780	82	72.650	58.389
37	17.178	15.957	83	76.677	61.853
38	17.423	16.142	84	80.925	65.593
39	17.681	16.337	85	85.367	69.624
40	17.954	16.541	86	89.956	73.955
41	18.241	16.755	87	94.630	78.595
42	18.546	16.980	88	99.330	83.544
43	18.867	17.217	89	104.000	88.794
44	19.207	17.465	90	108.603	94.323
45	19.566	17.725	91	113.122	100.102
46	19.945	17.999			

* for lump sums paid on or after 1 January 1991 and before 1 July 1995

Actuarial Table 3* (based on ALT 1990-1992)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under
Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	13.000	12.666	47	19.782	17.978
2	12.999	12.667	48	20.174	18.267
3	13.050	12.706	49	20.589	18.571
4	13.104	12.749	50	21.029	18.892
5	13.162	12.794	51	21.495	19.231
6	13.223	12.841	52	21.990	19.589
7	13.287	12.891	53	22.514	19.967
8	13.354	12.942	54	23.071	20.367
9	13.423	12.996	55	23.662	20.790
10	13.495	13.052	56	24.289	21.239
11	13.571	13.110	57	24.954	21.715
12	13.649	13.171	58	25.661	22.221
13	13.731	13.234	59	26.411	22.760
14	13.817	13.299	60	27.209	23.334
15	13.904	13.366	61	28.057	23.946
16	13.995	13.436	62	28.959	24.600
17	14.087	13.508	63	29.918	25.299
18	14.180	13.581	64	30.941	26.048
19	14.274	13.658	65	32.031	26.850
20	14.370	13.737	66	33.194	27.711
21	14.469	13.818	67	34.439	28.637
22	14.571	13.904	68	35.771	29.633
23	14.678	13.993	69	37.201	30.706
24	14.789	14.086	70	38.737	31.863
25	14.906	14.184	71	40.387	33.111
26	15.029	14.286	72	42.162	34.459
27	15.157	14.392	73	44.070	35.916
28	15.292	14.502	74	46.121	37.490
29	15.434	14.618	75	48.322	39.194
30	15.583	14.740	76	50.682	41.038
31	15.739	14.866	77	53.208	43.036
32	15.904	14.999	78	55.908	45.204
33	16.077	15.138	79	58.788	47.556
34	16.260	15.284	80	61.854	50.109
35	16.452	15.436	81	65.114	52.878
36	16.654	15.596	82	68.574	55.879
37	16.868	15.764	83	72.240	59.129
38	17.093	15.940	84	76.118	62.643
39	17.330	16.124	85	80.214	66.436
40	17.581	16.318	86	84.532	70.520
41	17.845	16.521	87	89.076	74.905
42	18.125	16.735	88	93.847	79.596
43	18.420	16.959	89	98.842	84.589
44	18.732	17.195	90	104.058	89.867
45	19.063	17.442	91	109.528	95.394
46	19.412	17.703			

* for lump sums paid on or after 1 July 1995 and before 1 January 2000

Actuarial Table 4* (based on ALT 1995-1997)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under
Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.923	12.617	47	19.278	17.721
2	12.934	12.625	48	19.640	17.997
3	12.982	12.664	49	20.024	18.288
4	13.035	12.706	50	20.431	18.594
5	13.090	12.750	51	20.862	18.918
6	13.148	12.796	52	21.320	19.259
7	13.210	12.844	53	21.806	19.620
8	13.274	12.894	54	22.322	20.002
9	13.340	12.946	55	22.871	20.406
10	13.410	13.000	56	23.454	20.834
11	13.482	13.057	57	24.075	21.288
12	13.557	13.115	58	24.735	21.770
13	13.636	13.175	59	25.439	22.283
14	13.717	13.238	60	26.189	22.829
15	13.801	13.303	61	26.988	23.413
16	13.887	13.370	62	27.840	24.036
17	13.975	13.439	63	28.748	24.703
18	14.064	13.511	64	29.716	25.417
19	14.153	13.584	65	30.749	26.183
20	14.244	13.660	66	31.852	27.005
21	14.337	13.740	67	33.029	27.889
22	14.435	13.822	68	34.286	28.841
23	14.536	13.908	69	35.631	29.866
24	14.642	13.999	70	37.072	30.974
25	14.754	14.093	71	38.617	32.171
26	14.870	14.192	72	40.278	33.469
27	14.991	14.294	73	42.071	34.880
28	15.118	14.402	74	44.012	36.415
29	15.252	14.514	75	46.120	38.089
30	15.392	14.630	76	48.409	39.912
31	15.538	14.752	77	50.888	41.898
32	15.692	14.880	78	53.563	44.054
33	15.854	15.013	79	56.441	46.392
34	16.024	15.152	80	59.524	48.920
35	16.202	15.297	81	62.815	51.656
36	16.390	15.450	82	66.315	54.624
37	16.588	15.609	83	70.021	57.856
38	16.796	15.777	84	73.926	61.377
39	17.015	15.953	85	78.016	65.206
40	17.246	16.137	86	82.268	69.353
41	17.490	16.331	87	86.645	73.808
42	17.748	16.534	88	91.090	78.536
43	18.021	16.748	89	95.515	83.481
44	18.309	16.973	90	99.799	88.585
45	18.613	17.210	91	103.788	93.783
46	18.936	17.459			

* for lump sums paid on or after 1 January 2000 and before 1 July 2004

Actuarial Table 5* (based on ALT 2000-2002)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under
Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.824	12.556	47	18.655	17.343
2	12.835	12.565	48	18.977	17.597
3	12.881	12.602	49	19.318	17.865
4	12.931	12.643	50	19.679	18.147
5	12.983	12.685	51	20.062	18.444
6	13.038	12.729	52	20.467	18.757
7	13.095	12.775	53	20.898	19.088
8	13.154	12.822	54	21.354	19.438
9	13.216	12.872	55	21.839	19.807
10	13.281	12.924	56	22.354	20.198
11	13.348	12.977	57	22.901	20.612
12	13.418	13.033	58	23.482	21.052
13	13.491	13.091	59	24.099	21.517
14	13.566	13.151	60	24.757	22.013
15	13.644	13.213	61	25.456	22.540
16	13.725	13.276	62	26.201	23.102
17	13.807	13.342	63	26.994	23.703
18	13.890	13.410	64	27.841	24.346
19	13.973	13.480	65	28.745	25.035
20	14.058	13.553	66	29.712	25.775
21	14.146	13.628	67	30.747	26.571
22	14.238	13.707	68	31.858	27.427
23	14.334	13.788	69	33.050	28.350
24	14.434	13.874	70	34.330	29.344
25	14.538	13.962	71	35.707	30.417
26	14.646	14.055	72	37.187	31.575
27	14.758	14.152	73	38.776	32.825
28	14.875	14.253	74	40.484	34.175
29	14.998	14.358	75	42.319	35.635
30	15.127	14.468	76	44.286	37.223
31	15.262	14.583	77	46.395	38.963
32	15.404	14.703	78	48.654	40.873
33	15.553	14.828	79	51.069	42.963
34	15.710	14.959	80	53.652	45.239
35	15.874	15.095	81	56.445	47.704
36	16.047	15.238	82	59.491	50.364
37	16.228	15.388	83	62.788	53.223
38	16.419	15.544	84	66.293	56.283
39	16.619	15.708	85	69.953	59.548
40	16.830	15.880	86	73.711	63.017
41	17.051	16.059	87	77.514	66.691
42	17.285	16.248	88	81.311	70.567
43	17.530	16.446	89	85.060	74.637
44	17.789	16.654	90	88.729	78.889
45	18.063	16.872	91	92.317	83.299
46	18.351	17.102			

* for lump sums paid on or after 1 July 2004 and before 1 January 2010

Actuarial Table 6* (based on ALT 2005-2007)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under
Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.742	12.514	47	18.286	17.130
2	12.754	12.523	48	18.585	17.372
3	12.797	12.560	49	18.901	17.627
4	12.844	12.599	50	19.235	17.896
5	12.894	12.639	51	19.588	18.179
6	12.946	12.682	52	19.961	18.478
7	13.000	12.726	53	20.356	18.794
8	13.056	12.772	54	20.775	19.129
9	13.115	12.820	55	21.219	19.484
10	13.176	12.870	56	21.692	19.860
11	13.239	12.922	57	22.196	20.260
12	13.305	12.976	58	22.732	20.685
13	13.374	13.032	59	23.304	21.136
14	13.445	13.089	60	23.913	21.615
15	13.518	13.149	61	24.562	22.126
16	13.595	13.211	62	25.255	22.670
17	13.673	13.274	63	25.994	23.251
18	13.752	13.340	64	26.783	23.873
19	13.832	13.408	65	27.627	24.541
20	13.914	13.478	66	28.531	25.260
21	14.000	13.551	67	29.502	26.035
22	14.088	13.628	68	30.546	26.871
23	14.181	13.707	69	31.672	27.776
24	14.278	13.790	70	32.890	28.754
25	14.378	13.876	71	34.212	29.814
26	14.483	13.966	72	35.654	30.964
27	14.593	14.060	73	37.226	32.213
28	14.707	14.158	74	38.935	33.572
29	14.826	14.260	75	40.782	35.052
30	14.951	14.366	76	42.775	36.669
31	15.081	14.477	77	44.927	38.439
32	15.218	14.593	78	47.257	40.381
33	15.361	14.714	79	49.786	42.513
34	15.510	14.840	80	52.532	44.857
35	15.667	14.972	81	55.516	47.433
36	15.831	15.110	82	58.756	50.261
37	16.003	15.255	83	62.269	53.364
38	16.184	15.405	84	66.068	56.762
39	16.374	15.563	85	70.161	60.474
40	16.573	15.729	86	74.549	64.518
41	16.782	15.902	87	79.217	68.906
42	17.002	16.083	88	84.135	73.645
43	17.233	16.273	89	89.257	78.729
44	17.476	16.472	90	94.531	84.137
45	17.732	16.681	91	99.904	89.835
46	18.002	16.900			

* for lump sums paid on or after 1 January 2010 and before 1 January 2015

Actuarial Table 7* (based on ALT 2010-2012)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under
Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.685	12.484	47	18.032	16.993
2	12.701	12.499	48	18.317	17.228
3	12.744	12.535	49	18.618	17.475
4	12.790	12.573	50	18.936	17.735
5	12.838	12.614	51	19.270	18.010
6	12.888	12.655	52	19.624	18.299
7	12.940	12.699	53	19.998	18.605
8	12.994	12.744	54	20.393	18.928
9	13.050	12.791	55	20.811	19.270
10	13.108	12.839	56	21.255	19.632
11	13.169	12.890	57	21.726	20.017
12	13.232	12.943	58	22.228	20.426
13	13.298	12.997	59	22.762	20.861
14	13.366	13.054	60	23.333	21.325
15	13.437	13.112	61	23.942	21.818
16	13.510	13.173	62	24.592	22.345
17	13.585	13.235	63	25.288	22.908
18	13.661	13.299	64	26.034	23.511
19	13.739	13.365	65	26.833	24.159
20	13.819	13.434	66	27.691	24.855
21	13.902	13.505	67	28.614	25.605
22	13.988	13.580	68	29.611	26.414
23	14.079	13.658	69	30.691	27.288
24	14.173	13.739	70	31.861	28.233
25	14.271	13.823	71	33.132	29.257
26	14.374	13.912	72	34.515	30.367
27	14.481	14.003	73	36.020	31.573
28	14.592	14.099	74	37.659	32.888
29	14.708	14.199	75	39.446	34.323
30	14.830	14.303	76	41.395	35.894
31	14.956	14.412	77	43.521	37.621
32	15.088	14.525	78	45.842	39.524
33	15.226	14.643	79	48.380	41.626
34	15.370	14.767	80	51.155	43.950
35	15.521	14.896	81	54.191	46.520
36	15.679	15.030	82	57.512	49.363
37	15.845	15.171	83	61.140	52.504
38	16.019	15.317	84	65.098	55.971
39	16.201	15.471	85	69.411	59.791
40	16.392	15.632	86	74.097	63.993
41	16.593	15.800	87	79.174	68.602
42	16.804	15.976	88	84.649	73.642
43	17.025	16.160	89	90.522	79.132
44	17.258	16.354	90	96.772	85.081
45	17.503	16.557	91	103.350	91.486
46	17.761	16.769			

* for lump sums paid on or after 1 January 2015



Australian Government
Australian Government Actuary

Veterans' Entitlements Act 1986

Section 30C

Instructions

1. I, Peter Martin, Australian Government Actuary, have prepared these Instructions for the purposes of section 30C of the *Veterans' Entitlements Act 1986* (the Act).

Dated this 11th day of March 2015

A handwritten signature in black ink, appearing to be 'P. Martin', written in a cursive style.

Peter Martin
Australian Government Actuary

Rate per fortnight of compensation

2. For the purposes of paragraph 30C (1) (d), 30C (2) (d) or 30C (3) (d) of the Act (as the case may be), the “**rate per fortnight**” is determined by the following formula:

$$\text{Compensation rate} \times \text{Indexation factor}$$

Definitions

3. For the purposes of these Instructions:

“**Actuarial factor**” means:

- (a) in respect of a male, the figure set out in column 2 of the Actuarial Table opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **commencing date**;
- (b) in respect of a female, the figure set out in column 3 of the Actuarial Table opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **commencing date**.

“**commencing date**” means:

- (a) the earlier date referred to in paragraph 30C (1) (f) of the Act; or
 - (b) the later day referred to in paragraph 30C (2) (f) of the Act; or
 - (c) the later day referred to in paragraph 30C (3) (f) of the Act;
- as the case may be;

“**Compensation rate**” is

- (a) in relation to the **initial period**—the **Initial rate**;
- (b) in relation to the first six month period after the **initial period**—the **Initial rate**;
- (c) in relation to each subsequent six month period—the **rate per fortnight** for the previous six month period.

“**Index factor**”, in relation to a **relevant period**:

- (a) is the number, calculated to 3 decimal places, ascertained by dividing:
 - (i) if the relevant period starts between 1 January and 30 June (inclusive)—the **index number** for the last preceding December quarter; or
 - (ii) if the relevant period starts between 1 July and 31 December (inclusive)—the **index number** for the last preceding June quarter;

by the highest **index number** in respect of a December or June quarter that preceded that quarter; or

- (b) if the number so ascertained would, if it were calculated to 4 decimal places, end in a number greater than 4—is the number so ascertained increased by 0.001.

“**index number**”, has the same meaning as it has in section 198 of the Act.

“**indexation day**” is 20 March and 20 September of each year.

“**Indexation factor**” is determined by the following table:

condition	Indexation factor
in respect of the initial period	1
in respect of each six month period after the initial period if the Index factor is less than 1	1
in respect of each six month period after the initial period if the Index factor is equal to or greater than 1	the Index factor

“**initial period**” means the period beginning on the **lump sum date** and ending immediately before the next **indexation day** after the date of the first application of section 30C to the particular case.

“**Initial rate**” is:

$$(\text{Lump sum} \times \text{Actuarial factor}) \div 10,000$$

“**Lump sum**” means the amount of the lump sum of compensation in dollars.

“**Lump sum date**” means the date of payment of compensation.

“**relevant period**” has the same meaning as it has in section 198 of the Act.

Application

4. This Instruction applies to all matters to which section 30C of the Act first applies on and after the date of this Instruction.

ACTUARIAL TABLE (BASED ON ALT 2010-2012)

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.685	12.484	47	18.032	16.993
2	12.701	12.499	48	18.317	17.228
3	12.744	12.535	49	18.618	17.475
4	12.790	12.573	50	18.936	17.735
5	12.838	12.614	51	19.270	18.010
6	12.888	12.655	52	19.624	18.299
7	12.940	12.699	53	19.998	18.605
8	12.994	12.744	54	20.393	18.928
9	13.050	12.791	55	20.811	19.270
10	13.108	12.839	56	21.255	19.632
11	13.169	12.890	57	21.726	20.017
12	13.232	12.943	58	22.228	20.426
13	13.298	12.997	59	22.762	20.861
14	13.366	13.054	60	23.333	21.325
15	13.437	13.112	61	23.942	21.818
16	13.510	13.173	62	24.592	22.345
17	13.585	13.235	63	25.288	22.908
18	13.661	13.299	64	26.034	23.511
19	13.739	13.365	65	26.833	24.159
20	13.819	13.434	66	27.691	24.855
21	13.902	13.505	67	28.614	25.605
22	13.988	13.580	68	29.611	26.414
23	14.079	13.658	69	30.691	27.288
24	14.173	13.739	70	31.861	28.233
25	14.271	13.823	71	33.132	29.257
26	14.374	13.912	72	34.515	30.367
27	14.481	14.003	73	36.020	31.573
28	14.592	14.099	74	37.659	32.888
29	14.708	14.199	75	39.446	34.323
30	14.830	14.303	76	41.395	35.894
31	14.956	14.412	77	43.521	37.621
32	15.088	14.525	78	45.842	39.524
33	15.226	14.643	79	48.380	41.626
34	15.370	14.767	80	51.155	43.950
35	15.521	14.896	81	54.191	46.520
36	15.679	15.030	82	57.512	49.363
37	15.845	15.171	83	61.140	52.504
38	16.019	15.317	84	65.098	55.971
39	16.201	15.471	85	69.411	59.791
40	16.392	15.632	86	74.097	63.993
41	16.593	15.800	87	79.174	68.602
42	16.804	15.976	88	84.649	73.642
43	17.025	16.160	89	90.522	79.132
44	17.258	16.354	90	96.772	85.081
45	17.503	16.557	91	103.350	91.486
46	17.761	16.769			



Australian Government
Australian Government Actuary

Veterans' Entitlements Act 1986

Section 74

Instructions

1. I, Peter Martin, Australian Government Actuary, have prepared these Instructions for the purposes of section 74 of the *Veterans' Entitlements Act 1986* (the Act).

Dated this 11th day of March 2015

A handwritten signature in black ink, appearing to be 'PM', with a large loop and a long horizontal stroke extending to the right.

Peter Martin
Australian Government Actuary

Rate per fortnight of compensation

2. For the purposes of subsection 74 (3), 74 (3A) or 74 (3B) of the Act (as the case may be), the “**rate per fortnight**” is determined by the following formula:

$$\text{Compensation rate} \times \text{Indexation factor}$$

Definitions

3. For the purposes of these Instructions:

“**Actuarial factor**” means:

- (a) in respect of a male, the figure set out in column 2 of the Actuarial Table opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **commencing date**;
- (b) in respect of a female, the figure set out in column 3 of the Actuarial Table opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **commencing date**.

“**commencing date**” means:

- (a) the earlier date referred to in subsection 74 (3) of the Act; or
- (b) the later day referred to in paragraph 74 (3A) (e) of the Act; or
- (c) the later day referred to in paragraph 74 (3B) (e) of the Act;

as the case may be;

“**Compensation rate**” is

- (a) in relation to the **initial period**—the **Initial rate**;
- (b) in relation to the first six month period after the **initial period**—the **Initial rate**;
- (c) in relation to each subsequent six month period—the **rate per fortnight** for the previous six month period.

“**Index factor**”, in relation to a **relevant period**:

- a) is the number, calculated to 3 decimal places, ascertained by dividing:
 - (i) if the relevant period starts between 1 January and 30 June (inclusive)—the **index number** for the last preceding December quarter; or
 - (ii) if the relevant period starts between 1 July and 31 December (inclusive)—the **index number** for the last preceding June quarter;

by the highest **index number** in respect of a December or June quarter that preceded that quarter; or

- (b) if the number so ascertained would, if it were calculated to 4 decimal places, end in a number greater than 4—is the number so ascertained increased by 0.001.

“**index number**”, has the same meaning as it has in section 198 of the Act.

“**indexation day**” is 20 March and 20 September of each year.

“**Indexation factor**” is determined by the following table:

condition	Indexation factor
in respect of the initial period	1
in respect of each six month period after the initial period if the Index factor is less than 1	1
in respect of each six month period after the initial period if the Index factor is equal to or greater than 1	the Index factor

“**initial period**” means the period beginning on the **lump sum date** and ending immediately before the next **indexation day** after the date of the first application of section 74 to the particular case.

“**Initial rate**” is:

$$(\text{Lump sum} \times \text{Actuarial factor}) \div 10,000$$

“**Lump sum**” means the amount of the lump sum of compensation in dollars.

“**Lump sum date**” means the date of payment of compensation.

“**relevant period**” has the same meaning as it has in section 198 of the Act.

Application

4. This Instruction applies to all matters to which subsection 74 (3), 74 (3A), or 74 (3B) of the Act first applies on and after the date of this Instruction.

Actuarial Table (based on ALT 2010-2012)

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.685	12.484	47	18.032	16.993
2	12.701	12.499	48	18.317	17.228
3	12.744	12.535	49	18.618	17.475
4	12.790	12.573	50	18.936	17.735
5	12.838	12.614	51	19.270	18.010
6	12.888	12.655	52	19.624	18.299
7	12.940	12.699	53	19.998	18.605
8	12.994	12.744	54	20.393	18.928
9	13.050	12.791	55	20.811	19.270
10	13.108	12.839	56	21.255	19.632
11	13.169	12.890	57	21.726	20.017
12	13.232	12.943	58	22.228	20.426
13	13.298	12.997	59	22.762	20.861
14	13.366	13.054	60	23.333	21.325
15	13.437	13.112	61	23.942	21.818
16	13.510	13.173	62	24.592	22.345
17	13.585	13.235	63	25.288	22.908
18	13.661	13.299	64	26.034	23.511
19	13.739	13.365	65	26.833	24.159
20	13.819	13.434	66	27.691	24.855
21	13.902	13.505	67	28.614	25.605
22	13.988	13.580	68	29.611	26.414
23	14.079	13.658	69	30.691	27.288
24	14.173	13.739	70	31.861	28.233
25	14.271	13.823	71	33.132	29.257
26	14.374	13.912	72	34.515	30.367
27	14.481	14.003	73	36.020	31.573
28	14.592	14.099	74	37.659	32.888
29	14.708	14.199	75	39.446	34.323
30	14.830	14.303	76	41.395	35.894
31	14.956	14.412	77	43.521	37.621
32	15.088	14.525	78	45.842	39.524
33	15.226	14.643	79	48.380	41.626
34	15.370	14.767	80	51.155	43.950
35	15.521	14.896	81	54.191	46.520
36	15.679	15.030	82	57.512	49.363
37	15.845	15.171	83	61.140	52.504
38	16.019	15.317	84	65.098	55.971
39	16.201	15.471	85	69.411	59.791
40	16.392	15.632	86	74.097	63.993
41	16.593	15.800	87	79.174	68.602
42	16.804	15.976	88	84.649	73.642
43	17.025	16.160	89	90.522	79.132
44	17.258	16.354	90	96.772	85.081
45	17.503	16.557	91	103.350	91.486
46	17.761	16.769			



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11 March, 2015

FOI 4338
Document 17

s 22

Director – Benefits and Payments
Policy Support Branch
Department of Veterans' Affairs
PO Box 9998
CANBERRA ACT 2601

Dear s 22

**ADVICE UNDER THE MILITARY REHABILITATION AND COMPENSATION
(CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) ACT 2004 (THE ACT)**

In this letter I have set out a table of age-based numbers as requested by you in your email of 30 January 2015, for application under Regulation 4 of the *Military Rehabilitation and Compensation (Consequential and Transitional Provisions) Regulations 2004* which relate to subsection 14(2) of the Act. The tables are also appropriate for use under subsection 13(4) of the Act.

Regulations 4 and 5 are set out at Attachment 2 to this letter.

In this letter I have provided a table of aged-based numbers to be applied in cases where the SRCA lump sum is paid on or after the date of this letter (but before I provide written advice stating that a new table of factors should be applied).

Since the principles applying here are the same as those that apply under s25A of the *Veterans' Entitlements Act 1986* (VEA), it is appropriate that the factors applied here are consistent with those used for VEA purposes. Accordingly, I have adopted the following assumptions for the purpose:

- Mortality is in line with ALT 2010-12; and
- Discount rate is 3% per annum.

Regulation 4 refers to "age of the person on the day on which the lump sum amount for section 24, 25 or 27 of the SRCA was paid to the person". For the purpose of this advice, "age of the person on the day on which the lump sum amount for section 24, 25 or 27 of the SRCA was paid to the person" means the person's age next birthday on that day.

The age-based numbers should be updated approximately every five years, in line with the publication of the Australian Life Tables (ALT), as they provide a means of review. The next publication of ALT is likely to be during 2019.

Should you wish to discuss this matter, please do not hesitate to call me on 6263 4127.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Peter Martin', written in a cursive style.

Peter Martin
Australian Government Actuary

ATTACHMENT 1

Age-based numbers for converting a lump sum paid under sections 24, 25 or 27 of the SRCA on or after the date of this letter to a weekly amount for the purposes of subsection 13(4) and subsection 14(2) of the MRC(C&TP)A					
Age Next Birthday at the date of payment of the lump sum*	Male	Female	Age Next Birthday at the date of payment of the lump sum*	Male	Female
15	1488.4	1525.3	56	941.0	1018.7
16	1480.4	1518.3	57	920.5	999.1
17	1472.2	1511.2	58	899.8	979.1
18	1464.0	1503.9	59	878.6	958.7
19	1455.7	1496.5	60	857.2	937.9
20	1447.3	1488.8	61	835.4	916.7
21	1438.7	1480.9	62	813.3	895.1
22	1429.8	1472.8	63	790.9	873.1
23	1420.6	1464.4	64	768.2	850.7
24	1411.1	1455.7	65	745.4	827.9
25	1401.4	1446.8	66	722.3	804.7
26	1391.4	1437.7	67	699.0	781.1
27	1381.1	1428.2	68	675.4	757.2
28	1370.6	1418.5	69	651.7	732.9
29	1359.8	1408.5	70	627.7	708.4
30	1348.7	1398.3	71	603.6	683.6
31	1337.3	1337.3	72	579.5	658.6
32	1325.6	1337.3	73	555.2	633.4
33	1313.5	1337.3	74	531.1	608.1
34	1301.2	1337.3	75	507.0	582.7
35	1288.6	1337.3	76	483.2	557.2
36	1275.6	1330.7	77	459.6	531.6
37	1262.2	1318.3	78	436.3	506.0
38	1248.5	1305.7	79	413.4	480.5
39	1234.5	1292.7	80	391.0	455.1
40	1220.1	1279.5	81	369.1	429.9
41	1205.3	1265.8	82	347.8	405.2
42	1190.2	1251.9	83	327.1	380.9
43	1174.7	1237.6	84	307.2	357.3
44	1158.9	1223.0	85	288.1	334.5
45	1142.7	1208.0	86	269.9	312.5
46	1126.1	1192.6	87	252.6	291.5
47	1109.2	1177.0	88	236.3	271.6
48	1091.9	1160.9	89	220.9	252.7
49	1074.2	1144.5	90	206.7	235.1
50	1056.2	1127.7			
51	1037.9	1110.5			
52	1019.2	1093.0			
53	1000.1	1075.0			
54	980.7	1056.6			
55	961.0	1037.9			

* Age of the person on the day on which the lump sum amount for section 24, 25 or 27 of the SRCA was paid to the person means the person's age next birthday on that day

ATTACHMENT 2

REGULATIONS 4 and 5 of the *Military Rehabilitation and Compensation (Consequential and Transitional Provisions) Regulations 2004*

4 Method of converting lump sum amounts paid under sections 24, 25 and 27 of SRCA into weekly amounts

- (1) For paragraph 24 (3) (b) of the Act, this regulation sets out the method of converting into a weekly amount the sum of any previous payments of a lump sum to a person under sections 24, 25 and 27 of the SRCA.

Note Subsection 14 (2) of the Act applies regulations made for paragraph 24 (3) (b) of the Act.

- (2) For subregulation (1), and subject to regulation 5, the method is:

$$\frac{\text{current lump sum amount}}{\text{aged based number}}$$

where:

aged based number means the number that is advised by the Australian Government Actuary by reference to the age of the person on the day on which the lump sum amount for section 24, 25 or 27 of the SRCA was paid to the person, and the gender of the person.

current lump sum amount means the amount worked out in accordance with subregulation (3).

- (3) The *current lump sum amount* means the amount worked out using the following formula:

$$\text{previous lump sum amount} \times \frac{\text{maximum amount for the current financial year}}{\text{maximum amount for the relevant financial year}}$$

where:

maximum amount means the maximum amount specified in subsection 24 (9) of the SRCA, as indexed in accordance with section 13 of that Act.

previous lump sum amount means the sum of any amounts previously:

- (a) assessed as payable to the person under sections 24, 25 and 27 of the SRCA; and
- (b) paid as a lump sum or lump sums.

relevant financial year means the financial year in which an amount of compensation was paid to the person under section 24, 25 or 27 of the SRCA.

5 Weekly amount to be indexed

- (1) For the application of these Regulations for subsection 14 (2) of the Act, the weekly amount worked out under regulation 4 is the weekly amount by which the maximum weekly amount of a Special Rate Disability Pension (*SRDP*) must be reduced in the first financial year in which the SRDP is payable.

Note Section 203 of the MRCA provides the day from which an SRDP is payable.

- (2) In the second and subsequent financial years in which the SRDP is payable, the indexation provisions of section 404 of the MRCA apply to the weekly amount worked out under regulation 4 as if a reference to *dollar amount* in that section is a reference to *weekly amount*.



Ref No.:

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FOI 4338
Document 18

11 March, 2015

s 22

Director – Benefits and Payments
Policy Support Branch
Department of Veterans' Affairs
PO Box 9998
CANBERRA ACT 2601

Dear s 22

**ADVICE UNDER THE MILITARY REHABILITATION AND COMPENSATION ACT 2004
AND INSTRUCTIONS UNDER THE VETERANS ENTITLEMENTS ACT 1986**

Following the release of the latest Australian Life Tables (ALT 2010-12), I am writing to set out my advice and tables of numbers as required under the *Military Rehabilitation and Compensation Act 2004* (the MRC Act) reflecting the updated mortality rates.

In particular, in this letter, I have provided advice on:

- converting permanent impairment periodic payments to a lump sum (subsections 78(5) and (6) of the MRC Act);
- converting a superannuation lump sum to a weekly amount (subsection 135(2) of the MRC Act and used in sections 135 and 136);
- age adjusting the additional death benefit (subsection 234(2) of the MRC Act), noting that there is no adjustment until after age 40; and
- converting a wholly dependent partner weekly amount to a lump sum (subsection 236(5) of the MRC Act).

I have also attached formal instructions to this letter as required under sections 25A, 30C and 74 of the *Veterans Entitlements Act 1986*, which similarly reflect the latest estimates of mortality. At the end of this letter, I have addressed the issue raised by Mr Jim Reynolds of your department in his email of 11 December 2014 around the definition of index number in these instructions.

Subsections 78(5) and (6)

The MRC Act provides that a person may choose to convert some or all of certain categories of weekly compensation to a lump sum. Specifically, subsection 78(5) requires that the

“weekly amount converted to a lump sum”

be calculated in accordance with advice from the Australian Government Actuary (AGA) by reference to the person’s age at the date of notification of their entitlement.

AGA Advice

The **weekly amount converted to a lump sum** is to be obtained by multiplying the **relevant amount** by the **appropriate factor**.

The **relevant amount** is that part of the weekly amount that would otherwise be payable to the person which the person elects to convert to a lump sum.

The **appropriate factor** comes from the table provided (refer Attachment A), by reference to the person’s gender and age at the date of notification of their entitlement.

I have adopted the following assumptions in calculating the factors:

- mortality is in line with ALT 2010-12 (males and females);
- age is age next birthday at the date of the notice;
- a discount rate of 3% per annum; and
- in accordance with subsection 78(6) of the MRC Act, factors cannot be greater than the factor for a male aged 30

Table of Factors

The table of factors is given at Attachment A to this letter together with some examples to illustrate how they are to be used.

The factors apply in respect of any election which is made after the date of this letter and before revised advice is issued by the Australian Government Actuary.

Subsection 135(2), used in sections 135 and 136***s135 – Amount of compensation for retired person who has received only Commonwealth superannuation lump sum***

The MRC Act requires that if the Commonwealth is liable to pay compensation under section 118 (Compensation for incapacitated former members) and the person has received a Commonwealth superannuation lump sum, then the amount of the weekly compensation is worked out using the following formula:

$$\text{Person's Subdivision C compensation amount} - \frac{\text{Person's superannuation lump sum amount}}{\text{Person's superannuation age-based number}}$$

s136 - Amount of compensation for retired person receiving both superannuation pension and lump sum

The MRC Act requires that if the Commonwealth is liable to pay compensation under section 118 (Compensation for incapacitated former members) and the person is receiving a Commonwealth superannuation pension and has received a lump sum, then the amount of the weekly compensation is worked out using the following formula:

$$\text{Person's Subdivision C compensation amount} - \left\{ \begin{array}{l} \text{Person's superannuation} \\ \text{pension amount for the} \\ \text{week} \end{array} \right. + \left. \frac{\text{Person's superannuation lump sum amount}}{\text{Person's superannuation age-based number}} \right\}$$

Under both sections 135 and 136, the **superannuation age-based number** for a person who receives a lump sum under a Commonwealth superannuation scheme means the number that is advised by the AGA by reference to the person's age on the day on which the lump sum is paid.

I have adopted the following assumptions for the purpose of calculating a suitable set of superannuation aged-based numbers:

- mortality is in line with ALT 2010-12 (males and females);
- age is age next birthday at the date on which the lump sum is paid; and

- a discount rate of 5% per annum.

Table of superannuation age-based numbers

The table of superannuation age-based numbers is given at Attachment B to this letter.

The table of superannuation age-based numbers is to be used whenever subsections 135 or 136 are first applied for a person after the date of this letter and before revised advice is issued by the Australian Government Actuary.

Note that the amount calculated using the table of superannuation age-based numbers under subsections 135 and 136 are fixed for the duration of the Person's Subdivision C compensation amount. That is, the amount is not intended to be indexed from time to time.

Subsection 234(2)

Subsection 234(2) specifies that the amount of lump sum compensation the Commonwealth is liable to pay under section 233 (Compensation for member's death for wholly dependent partners) if the Commission has accepted liability for the member's death, is worked out using the following formula:

$$\begin{array}{r} \text{Partner's age-based number for the lump sum} \\ \text{under paragraph (1)(a)} \end{array} \quad \times \quad \$100,000$$

where the **partner's age-based number** is defined under subsection 234(7) as the number that is advised by the AGA by reference to the partner's age at the date of the member's death.

I have adopted the following assumptions in calculating the numbers for this purpose:

- mortality is in line with ALT 2010-12 (Females);
- partner's age at the date of the member's death is the partner's age next birthday;
- a discount rate of 3% pa; and
- the factor is 1 if the partner's age at the date of the member's death is less than or equal to 41.

Table of partner's age-based numbers

The table of partner's age-based numbers for application within subsection 234(2) is given at Attachment C to this letter.

This table of partner's age-based numbers is to be used in the application of subsection 234(2) if the date of the member's death is after the date of this letter and before revised advice is issued by the Australian Government Actuary.

Subsection 236(5)

Under Section 236, a partner who is eligible to receive a weekly amount in compensation under paragraph 234(1)(b) may choose to convert 25%, 50%, 75% or 100% of the weekly amount to a lump sum. Subsection 236(5) provides for the amount of the lump sum to be worked out using the following formula:

$$\left\{ \begin{array}{l} \text{Partner's age-} \\ \text{based number in} \\ \text{respect of the} \\ \text{lump sum} \end{array} \right\} \times \left\{ \begin{array}{l} \text{Appropriate percentage of the} \\ \text{weekly amount under paragraph} \\ \text{234(1)(b) at the date of the} \\ \text{member's death} \end{array} \right\} - \left\{ \begin{array}{l} \text{Appropriate percentage of} \\ \text{the weekly amounts} \\ \text{already paid to the partner} \end{array} \right\}$$

where the **partner's age-based number**, in respect of a lump sum, means the number that is advised by the AGA by reference to the partner's age at the date of the member's death.

I have adopted the following assumptions for this purpose:

- mortality in line with ALT 2010-12 (males and females);
- the partner's age at the date of the member's death is the partner's age next birthday; and
- a discount rate of 2.5% per annum;

Table of partner's age-based numbers

The table of partner's age-based numbers for application within subsection 236(5) is given at Attachment D to this letter.

This table of partner's age-based numbers is to be used in the application of subsection 236(5) if the date of the member's death is after the date of this letter and before revised advice is issued by the Australian Government Actuary.

Note that the partner's age-based numbers for use under subsection 234(2) are different from the partner's age-based numbers for use under subsection 236(5).

Definition of index number in the VEA Instructions

Mr Reynolds raised the issue of whether the definition of index number in the Instructions for the purposes of sections 25A, 30C and 74 of the *Veterans Entitlements Act 1986* (the Act) was appropriate. The definition in the Instructions refers to section 198 of the Act, which in turn defines the index number in terms of the Consumer Price Index published by the Australian Bureau of Statistics.

The VEA Instructions provide a means for calculating the offset to the pension entitlements payable under the Act to veterans and their dependants as a result of a lump sum compensation payment being made. The reference to section 198 of the Act results in the offset amount being indexed in line with the CPI. Mr Reynolds noted that disability pensions have been indexed in line with service pension rates (effectively in line with movements in Male Total Average Weekly Earnings) for some time now and questioned whether the indexation of the offset amount should be aligned.

I have not altered the reference to section 198 in the relevant instruments.

At the time of the changes to the indexation of disability pensions, it was agreed that maintaining the indexation of the offset in line with the CPI would be most practical.

While it would be possible to change the definition of the index number in the current instructions to bring it into line with the rate of indexation of disability pensions, this would result in offsets being indexed in line with either the CPI or the disability pension, depending on which set of instructions applied.

To avoid this circumstance (that is, to have all offset amounts indexed in line with the disability pensions) would require recalculation of the historical 'actuarial factors' (presented in the historical instructions for s25A, S30C and s74). Retrospective implementation of these revised 'actuarial factors' would be administratively complex for DVA and unlikely to be transparent for pensioners. [Note that it would not be (actuarially) fair to affected existing disability pensioners to simply start indexing their current offsets in line with the rate of indexation of disability pensions.]

I understand that you have discussed this with Susan Antcliff and are comfortable with our position in this regard.

Conclusion

All of the factors and numbers presented in this letter should be updated from time to time. Australian Life Tables (ALT) is published every five years. The publication of ALT provides

an appropriate time to review the factors. The next publication of ALT is likely to be during 2019.

Should you wish to discuss this matter, please do not hesitate to call me on 6263 4127.

Yours sincerely

A handwritten signature in black ink, appearing to be 'PM' with a stylized flourish.

Peter Martin
Australian Government Actuary

ATTACHMENT A: Subsection 78(5) of the MRC Act

Factors for converting weekly amount (under s68, 71 or 75(2)) to a lump sum under s78(5)					
Age Next Birthday at the Notice Date	Male	Female	Age Next Birthday at the Notice Date	Male	Female
Up to 31	1337.3	1337.3	61	835.4	916.7
32	1325.6	1337.3	62	813.3	895.1
33	1313.5	1337.3	63	790.9	873.1
34	1301.2	1337.3	64	768.2	850.7
35	1288.6	1337.3	65	745.4	827.9
36	1275.6	1330.7	66	722.3	804.7
37	1262.2	1318.3	67	699.0	781.1
38	1248.5	1305.7	68	675.4	757.2
39	1234.5	1292.7	69	651.7	732.9
40	1220.1	1279.5	70	627.7	708.4
41	1205.3	1265.8	71	603.6	683.6
42	1190.2	1251.9	72	579.5	658.6
43	1174.7	1237.6	73	555.2	633.4
44	1158.9	1223.0	74	531.1	608.1
45	1142.7	1208.0	75	507.0	582.7
46	1126.1	1192.6	76	483.2	557.2
47	1109.2	1177.0	77	459.6	531.6
48	1091.9	1160.9	78	436.3	506.0
49	1074.2	1144.5	79	413.4	480.5
50	1056.2	1127.7	80	391.0	455.1
51	1037.9	1110.5	81	369.1	429.9
52	1019.2	1093.0	82	347.8	405.2
53	1000.1	1075.0	83	327.1	380.9
54	980.7	1056.6	84	307.2	357.3
55	961.0	1037.9	85	288.1	334.5
56	941.0	1018.7	86	269.9	312.5
57	920.5	999.1	87	252.6	291.5
58	899.8	979.1	88	236.3	271.6
59	878.6	958.7	89	220.9	252.7
60	857.2	937.9	90 and above	206.7	235.1

The following examples illustrate the use of the factors above.

Note that these examples give the lump sum as at the date of the notice. Depending on payment delays, certain adjustments may need to be made. For example, interest may have to be added, and/or other amounts may have to be deducted

Example 1

In a notice dated 5/6/2015, a male claimant is notified under s76 of entitlement to a weekly amount of \$301.55 under s68. He chooses to convert 100% of this amount to a lump sum under s78. His date of birth is 1/10/1986.

The relevant calculations are as follows:

Appropriate percentage of the weekly amount payable to the person, as at the date of the notice

$$= 100\% \text{ of } \$301.55 = \$301.55$$

Age at date of notice is 28 years and 8 months

Therefore **age next birthday** at the date of notice is 29.

The relevant factor is 1337.3

Therefore, the weekly amount converts to a lump sum of:

$$\$301.55 \times 1337.3 = \$403,262.82$$

Example 2

In a notice dated 25/3/2015, a female claimant is notified under s76 of entitlement to a weekly amount of \$56.16 under s75(2). She chooses to convert 50% of this amount to a lump sum under s78. Her date of birth is 1/9/1981.

The relevant calculations are as follows:

Appropriate percentage of the weekly amount payable to the person, as at the date of the notice

$$= 50\% \text{ of } \$56.16 = \$28.08$$

Age at date of notice is 33 years and 6 months

Therefore **age next birthday** at the date of notice is 34.

The relevant factor is 1337.3

Therefore, the weekly amount converts to a lump sum of:

$$\$28.08 \times 1337.3 = \$37,551.38$$

Example 3

In a notice dated 20/5/2015, a female claimant is notified under s76 of entitlement to a weekly amount of \$158.08 under s68. She chooses to convert 25% of this amount to a lump sum under s78. Her date of birth is 1/4/1970.

The relevant calculations are as follows:

Appropriate percentage of the weekly amount payable to the person, as at the date of the notice

$$= 25\% \text{ of } \$158.08 = \$39.52$$

Age at date of notice is 45 years and 1 month

Therefore **age next birthday** at the date of notice is 46.

The relevant factor is 1192.6

Therefore, the weekly amount converts to a lump sum of:

$$\$39.52 \times 1192.6 = \$47,131.55$$

ATTACHMENT B: Sections 135 and 136 of the MRC Act

Superannuation aged-based numbers under sections 135 and 136					
Age Next Birthday on the day on which the lump sum is paid	Male	Female	Age Next Birthday on the day on which the lump sum is paid	Male	Female
20	997.1	1013.4	46	854.8	890.8
21	994.1	1010.8	47	845.8	883.0
22	990.9	1008.2	48	836.5	874.9
23	987.6	1005.4	49	826.8	866.4
24	984.1	1002.4	50	816.8	857.7
25	980.5	999.3	51	806.4	848.6
26	976.7	996.1	52	795.7	839.1
27	972.7	992.7	53	784.6	829.3
28	968.6	989.1	54	773.2	819.1
29	964.2	985.4	55	761.5	808.6
30	959.7	981.5	56	749.3	797.6
31	955.0	977.4	57	736.8	786.2
32	950.1	973.1	58	723.8	774.4
33	945.0	968.7	59	710.5	762.2
34	939.7	964.1	60	696.7	749.6
35	934.1	959.2	61	682.5	736.5
36	928.3	954.2	62	668.0	723.0
37	922.2	949.0	63	653.0	709.0
38	915.9	943.5	64	637.7	694.5
39	909.3	937.8	65	622.0	679.6
40	902.4	931.8			
41	895.2	925.6			
42	887.7	919.2			
43	880.0	912.5			
44	871.9	905.6			
45	863.5	898.3			

Superannuation age-based numbers under ss135 and 136 for ages other than those given in the Table above can be provided on request.

ATTACHMENT C: Section 234(2) of the MRC Act

Partner's age-based number under s234(2) of the MRC Act			
Partner's age next birthday on the date of the member's death	Partner's age based number	Partner's age next birthday on the date of the member's death	Partner's age based number
Up to 41	1.0000	66	0.6357
42	0.9890	67	0.6170
43	0.9777	68	0.5981
44	0.9661	69	0.5790
45	0.9543	70	0.5596
46	0.9422	71	0.5400
47	0.9298	72	0.5203
48	0.9171	73	0.5004
49	0.9041	74	0.4804
50	0.8909	75	0.4603
51	0.8773	76	0.4402
52	0.8634	77	0.4200
53	0.8492	78	0.3998
54	0.8347	79	0.3796
55	0.8199	80	0.3595
56	0.8048	81	0.3396
57	0.7893	82	0.3201
58	0.7735	83	0.3009
59	0.7574	84	0.2823
60	0.7409	85	0.2642
61	0.7242	86	0.2469
62	0.7071	87	0.2303
63	0.6897	88	0.2145
64	0.6720	89	0.1997
65	0.6540	90	0.1857

Note that the partner's age-based numbers in the table above are for use under s234(2). They are different from the partner's age-based numbers required under s236(5). The partner's age-based numbers required under s236(5) are given next in Attachment D.

Partner's age-based numbers under s 234(2) for ages greater than 90 can be provided on request.

ATTACHMENT D: Section 236(5) of the MRC Act

Partner's age-based numbers for use under s 236(5)					
Partner's age next birthday on the date of the member's death	Male Partner	Female Partner	Partner's age next birthday on the date of the member's death	Male Partner	Female Partner
18	1638.1	1690.1	56	1001.7	1089.8
19	1627.1	1679.9	57	978.5	1067.2
20	1615.9	1669.5	58	954.9	1044.3
21	1604.5	1658.9	59	931.1	1020.9
22	1592.8	1648.0	60	907.0	997.2
23	1580.8	1636.8	61	882.5	973.1
24	1568.4	1625.3	62	857.9	948.7
25	1555.8	1613.5	63	833.0	923.9
26	1542.9	1601.4	64	807.9	898.8
27	1529.7	1589.1	65	782.7	873.3
28	1516.2	1576.4	66	757.3	847.5
29	1502.4	1563.5	67	731.7	821.4
30	1488.3	1550.2	68	706.0	795.0
31	1473.9	1536.7	69	680.1	768.3
32	1459.2	1522.8	70	654.1	741.4
33	1444.1	1508.7	71	628.1	714.3
34	1428.7	1494.2	72	602.0	687.1
35	1413.0	1479.4	73	576.0	659.8
36	1396.9	1464.3	74	550.2	632.5
37	1380.5	1448.9	75	524.5	605.1
38	1363.7	1433.1	76	499.1	577.7
39	1346.6	1417.0	77	474.0	550.3
40	1329.1	1400.6	78	449.4	523.0
41	1311.2	1383.8	79	425.3	495.9
42	1293.0	1366.7	80	401.6	469.0
43	1274.4	1349.2	81	378.7	442.4
44	1255.4	1331.4	82	356.3	416.3
45	1236.1	1313.3	83	334.8	390.9
46	1216.5	1294.8	84	314.1	366.2
47	1196.4	1276.0	85	294.2	342.3
48	1176.1	1256.8	86	275.3	319.5
49	1155.4	1237.2	87	257.4	297.6
50	1134.4	1217.3	88	240.5	276.9
51	1113.1	1197.0	89	224.7	257.4
52	1091.4	1176.3	90 and above	210.0	239.2
53	1069.4	1155.3			
54	1047.2	1133.8			
55	1024.6	1112.0			

Note that the partner's age-based numbers in the table above are for use under s236(5). They are different from the partner's age-based numbers required under s234(2). The partner's age-based numbers required under s234(2) are given earlier in Attachment C.



Ref No.:

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FOI 4338
 Document 19

11 March, 2015

s 22

Director – Benefits and Payments
 Policy Support Branch
 Department of Veterans Affairs
 PO Box 9998
 CANBERRA ACT 2601

Dear s 22

DISCOUNT RATES USED IN ACTUARIAL FACTORS (OFFSETTING)

I have been asked to explain the choice of discount rates underlying the actuarial factors in the various tables required under the *Veterans Entitlements Act 1986* (VEA) and the *Military Compensation and Rehabilitation Act 2004* (MRCA) as well as the consequential and transitional provisions legislation (MRC(C&TP)A).

Three discount rates are used. The table below summarises.

3%	2.5%	5%
S25A VEA	S236 MRCA	S135 MRCA
S30C VEA		S136 MRCA
S74 VEA		
S78 MRCA		
S234 MRCA		
S14 MRC(C&TP)A		

3%

S25A, s30C and s74 of the VEA

S25A of the VEA provides for intermediate and special rate disability pensions (or loss of earnings allowance) payable under the VEA to be reduced to take account of the 'fortnightly equivalent' value of lump sum compensation paid under any of s24, 25 or 27 of the SRCA for the same or other injury or disease.

s30C and s74 of the VEA provide for disability pensions payable under the VEA to be reduced to take account of the 'fortnightly equivalent' value of lump sum compensation paid for the same injury or disease.

Instructions prepared by the Australian Government Actuary under these three sections of the VEA require that the 'fortnightly equivalent' is increased from time to time in line with the CPI.

A major consideration in preparing the instructions is to ensure that the required rate of increase in the offset amount is consistent with the chosen discount rate (and vice versa).

I regard a (real) discount rate of 3 per cent per annum as consistent with a realistic long term estimate of the real rate of earnings (relative to the rate of CPI inflation) that might be achieved on an invested lump sum. Accordingly, I regard a discount rate of 3 per cent per annum as consistent with a requirement to increase the offset amount in line with the rate of CPI inflation (and vice versa).

In general, the faster (or slower) that the offset amount is required to increase from time to time, the lower (or higher) the appropriate discount rate, all else equal. For example, if the required rate of increase in the offset amount was faster than the rate of CPI inflation, then a case could be made for a lower discount rate than 3 per cent per annum. Conversely, if the required rate of increase in the offset amount was slower than the rate of CPI inflation, then a case could be made for a higher discount rate than 3 per cent per annum.

A (real) discount rate of 3 per cent per annum has been used for many years in tables and instructions prepared by the AGA for use under s30C, s74 and more recently s25A of the VEA. Consistent with that, the instructions require that the offset amount is increased from time to time with the rate of CPI inflation.

S78 of the MRCA

S78 of the MRCA provides that a person may convert weekly compensation (paid for permanent impairment) into a lump sum.

Weekly compensation paid for permanent impairment under the MRCA increases in line with the rate of CPI inflation (absent any changes to the number of impairment points). This

is because the amount of weekly compensation payable is determined as a percentage of the maximum amount of weekly compensation payable (where the percentage depends on the degree of permanent impairment) and the maximum amount of weekly compensation payable increases in line with the rate of CPI inflation.

Since weekly compensation amount increases in line with the rate of CPI inflation, it is necessary to choose a discount rate consistent with that.

Accordingly, the actuarial factors in this table are based on a discount rate of 3 per cent per annum.

S234 of the MRCA

S234 of the MRCA provides for the payment of an 'age-based' lump sum to a wholly dependent partner in the case of certain deaths of ADF members.

The age-based lump sum is somewhat in the nature of general damages. The maximum age-based lump sum increases in line with the rate of CPI inflation.

To arrive at age-based numbers for the purpose, we had regard to the lifetime CPI-linked income stream that a given lump sum might be expected to generate for a 40 year old partner. The age-based numbers were then calculated to ensure that the age-based lump sum payable to a partner older than age 40 could be expected to generate an equivalent CPI-linked income stream to the 40 year old partner.

S14 of the MRC(C&TP)A

S14 of the MRC(C&TP)A provides for the conversion of lump sums paid under any of s24, 25 or 27 of the SRCA to be converted to a weekly amount.

Thus, the principles that apply here are similar to the principles that apply under s25A of the VEA.

Notably, the MRC(C&TP)A provides explicitly for those weekly amounts to be increased in line with the rate of CPI inflation.

In line with all of this, I regard a discount rate of 3 per cent per annum as reasonable for the purpose.

2.5%

Under s236 of the MRCA, an eligible partner (of a deceased ADF member) who is entitled to a lifetime income stream under s234 of the MRCA may choose to convert part or all of the income stream into a lump sum.

The weekly amount of the underlying income stream is determined by reference to subsection 30(1) of the VEA (war widow/ers pension).

Most of the income stream is increased in line with the maximum basic rate of single service pension, with a small component being indexed in line with the CPI.

In expectation, therefore, the income stream will increase at a rate somewhat faster than the rate of CPI inflation.

In line with the discussion above, this points to a discount rate which is lower than the rate used for CPI-linked income streams.

Accordingly, I regard a discount rate of 2.5 per cent per annum as reasonable for this purpose. I note that a discount rate assumption of 2.5 per cent per annum underpins certain calculations in the family law legislation which exhibit somewhat similar dynamics to the s236 context.

5%

S135 and s136 of the MRCA provide that compensation (weekly incapacity) paid to a member who is incapacitated for work is to be reduced to take account of any Commonwealth superannuation lump sum(s) that the person has received.

The formulae to be used for (effectively) converting the superannuation lump sum to a weekly equivalent do not provide for that weekly equivalent to be indexed. That is, the weekly equivalent is to remain constant for as long as the person is in receipt of weekly compensation in respect of their incapacity for work.

In line with the discussion earlier in this letter, in such a circumstance, a discount rate somewhat higher than 3 per cent per annum is appropriate.

I regard a discount rate of 5 per cent per annum as reasonable for this purpose.

Conclusion

The discount rates adopted for the various actuarial factors under the VEA and the MRCA have been chosen having regard to the need for consistency with the underlying dynamics of the VEA and MRCA in circumstances where those dynamics point to a particular choice of discount rate. Good examples of this are in relation to s78 of the MRCA and s14 of the MRC(C&TP)A where the scheme dynamics point to a discount rate that is consistent with an underlying income stream that increases in line with the rate of CPI inflation.

In other circumstances (that is, where the scheme dynamics do not point to a particular choice of discount rate), the choice has been made having regard to the benefits of:

- Consistency among the various tables
- Historical consistency and practicality
- Consistency with other similar assumptions in similar but unrelated contexts (eg Family Law)

The discount factors chosen for s25A, s30C and s74 of the VEA were chosen with both historical consistency and practicality and consistency among the various tables in mind. Since the change to indexation of general rate disability pensions a number of years ago, the benefits of choosing a discount rate that is consistent with increasing the offset amounts in line with the rate of CPI inflation have diminished. However, the benefit of historical consistency and associated administrative practicality, in particular, justify the ongoing adoption of this discount rate along with a continuation of the practice of increasing offset amounts in line with the rate of CPI inflation.

The discount rate chosen for s134 and s136 of the MRCA was chosen for consistency with both the financial dynamics (the offset amount is required to remain fixed) and the other tables.

Similarly, since the underlying income stream in the s236 (MRCA) context increases at a rate somewhat faster than the rate of CPI indexation, a somewhat lower discount rate than 3 per cent per annum is appropriate. I have adopted a rate of 2.5 per cent per annum and this assumption is consistent with that adopted for the other tables and also in a not wholly dissimilar context (family law).

Please call me if you have any questions about this.

Yours sincerely



Peter Martin
Australian Government Actuary



Australian Government
Australian Government Actuary

FOI 4338
Document 20

Veterans' Entitlements Act 1986

Section 25A

Instructions

1. I, Peter Martin, Australian Government Actuary, have prepared these Instructions for the purposes of section 25A of the *Veterans' Entitlements Act 1986* (the Act).

Dated this 15th day of January 2010

A handwritten signature in black ink, consisting of a large, stylized 'P' and 'M' intertwined.

Peter Martin
Australian Government Actuary

Fortnightly Amount

2. For the purposes of paragraphs 25A (2) and 25A (3) of the Act, the “**fortnightly amount**” is determined by the following formula:

$$\text{Compensation rate} \times \text{Indexation factor}$$

Definitions

3. For the purposes of these Instructions:

“**Actuarial factor**” means:

- (a) in respect of a male, the figure set out in column 2 of the relevant **Actuarial table** opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **lump sum date**;
- (b) in respect of a female, the figure set out in column 3 of the relevant **Actuarial table** opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **lump sum date**.

“**Actuarial table**” means:

- (a) Table 1 where the **lump sum date** is on or after 1 December 1988 and before 1 January 1991;
- (b) Table 2 where the **lump sum date** is on or after 1 January 1991 and before 1 July 1995;
- (c) Table 3 where the **lump sum date** is on or after 1 July 1995 and before 1 January 2000;
- (d) Table 4 where the **lump sum date** is on or after 1 January 2000 and before 1 July 2004;
- (e) Table 5 where the **lump sum date** is on or after 1 July 2004 and before 1 January 2010;
- (f) Table 6 where the **lump sum date** is on or after 1 January 2010.

“**Compensation rate**” is

- (a) in relation to the **initial period**—the **Initial rate**;
- (b) in relation to the first six month period after the **initial period**—the **Initial rate**;
- (c) in relation to each subsequent six month period—the **fortnightly amount** for the previous six month period.

“**Index factor**”, in relation to a **relevant period**:

- (a) is the number, calculated to 3 decimal places, ascertained by dividing:

- (i) if the relevant period starts between 1 January and 30 June (inclusive)—the **index number** for the last preceding December quarter; or
- (ii) if the relevant period starts between 1 July and 31 December (inclusive)—the **index number** for the last preceding June quarter;

by the highest **index number** in respect of a December or June quarter that preceded that quarter; or

- (b) if the number so ascertained would, if it were calculated to 4 decimal places, end in a number greater than 4—is the number so ascertained increased by 0.001.

“**index number**”, has the same meaning as it has in section 198 of the Act.

“**indexation day**” is 20 March and 20 September of each year.

“**Indexation factor**” is determined by the following table:

condition	Indexation factor
in respect of the initial period	1
in respect of each six month period after the initial period if the Index factor is less than 1	1
in respect of each six month period after the initial period if the Index factor is equal to or greater than 1	the Index factor

“**initial period**” means the period beginning on the **lump sum date** and ending immediately before the next **indexation day** after the date of the first application of paragraph 25A (3) to the particular case.

“**Initial rate**” is:

$$(\text{Lump sum} \times \text{Actuarial factor}) \div 10,000$$

“**Lump sum**” means the amount of compensation paid under section 24, 25 or 27 of the *Safety, Rehabilitation and Compensation Act 1988* in dollars.

“**Lump sum date**” means the date of payment of compensation under section 24, 25 or 27 of the *Safety, Rehabilitation and Compensation Act 1988*.

“**relevant period**” has the same meaning as it has in section 198 of the Act.

Application

- 4. This Instruction applies to all matters to which section 25A of the Act first applies on and after the date of this Instruction.

Actuarial Table 1* (based on ALT 1980-1982)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	13.202	12.779	47	20.968	18.539
2	13.184	12.764	48	21.421	18.853
3	13.238	12.804	49	21.900	19.184
4	13.297	12.849	50	22.405	19.534
5	13.360	12.897	51	22.939	19.902
6	13.426	12.947	52	23.504	20.291
7	13.496	13.000	53	24.102	20.703
8	13.569	13.055	54	24.735	21.139
9	13.646	13.113	55	25.406	21.602
10	13.726	13.172	56	26.118	22.093
11	13.810	13.234	57	26.875	22.614
12	13.897	13.299	58	27.680	23.168
13	13.988	13.366	59	28.538	23.758
14	14.083	13.436	60	29.451	24.387
15	14.180	13.508	61	30.424	25.059
16	14.281	13.583	62	31.463	25.777
17	14.383	13.660	63	32.570	26.545
18	14.485	13.739	64	33.752	27.369
19	14.585	13.820	65	35.013	28.253
20	14.686	13.905	66	36.359	29.202
21	14.791	13.994	67	37.795	30.224
22	14.901	14.086	68	39.329	31.324
23	15.018	14.183	69	40.966	32.511
24	15.142	14.284	70	42.712	33.793
25	15.273	14.389	71	44.576	35.180
26	15.411	14.500	72	46.565	36.684
27	15.557	14.615	73	48.686	38.318
28	15.710	14.736	74	50.950	40.095
29	15.873	14.862	75	53.365	42.029
30	16.044	14.995	76	55.941	44.134
31	16.226	15.134	77	58.691	46.425
32	16.418	15.280	78	61.628	48.917
33	16.621	15.433	79	64.767	51.626
34	16.836	15.593	80	68.121	54.565
35	17.062	15.760	81	71.706	57.752
36	17.301	15.936	82	75.537	61.198
37	17.554	16.120	83	79.628	64.918
38	17.819	16.313	84	83.991	68.921
39	18.100	16.516	85	88.641	73.215
40	18.396	16.728	86	93.586	77.809
41	18.707	16.950	87	98.832	82.712
42	19.036	17.184	88	104.381	87.929
43	19.382	17.429	89	110.224	93.472
44	19.748	17.686	90	116.337	99.349
45	20.133	17.956	91	122.692	105.571
46	20.539	18.240			

* for lump sums paid on or after 1 December 1988 and before 1 January 1991

Actuarial Table 2* (based on ALT 1985-1987)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	13.103	12.731	47	20.347	18.287
2	13.091	12.722	48	20.771	18.590
3	13.144	12.763	49	21.221	18.909
4	13.200	12.807	50	21.696	19.245
5	13.260	12.853	51	22.199	19.599
6	13.324	12.903	52	22.732	19.973
7	13.390	12.954	53	23.296	20.368
8	13.461	13.007	54	23.893	20.786
9	13.534	13.063	55	24.525	21.228
10	13.610	13.121	56	25.196	21.698
11	13.689	13.182	57	25.906	22.198
12	13.772	13.245	58	26.660	22.731
13	13.857	13.310	59	27.460	23.298
14	13.946	13.378	60	28.310	23.904
15	14.039	13.449	61	29.214	24.551
16	14.134	13.522	62	30.176	25.243
17	14.231	13.597	63	31.201	25.984
18	14.327	13.673	64	32.295	26.776
19	14.424	13.752	65	33.464	27.625
20	14.520	13.833	66	34.713	28.535
21	14.620	13.918	67	36.050	29.512
22	14.725	14.006	68	37.481	30.560
23	14.835	14.099	69	39.014	31.687
24	14.951	14.196	70	40.655	32.901
25	15.073	14.297	71	42.414	34.208
26	15.202	14.403	72	44.300	35.621
27	15.338	14.514	73	46.321	37.149
28	15.482	14.630	74	48.488	38.806
29	15.632	14.751	75	50.814	40.606
30	15.792	14.878	76	53.313	42.561
31	15.959	15.012	77	55.998	44.686
32	16.136	15.151	78	58.883	46.996
33	16.323	15.297	79	61.981	49.506
34	16.520	15.451	80	65.303	52.231
35	16.727	15.611	81	68.858	55.187
36	16.947	15.780	82	72.650	58.389
37	17.178	15.957	83	76.677	61.853
38	17.423	16.142	84	80.925	65.593
39	17.681	16.337	85	85.367	69.624
40	17.954	16.541	86	89.956	73.955
41	18.241	16.755	87	94.630	78.595
42	18.546	16.980	88	99.330	83.544
43	18.867	17.217	89	104.000	88.794
44	19.207	17.465	90	108.603	94.323
45	19.566	17.725	91	113.122	100.102
46	19.945	17.999			

* for lump sums paid on or after 1 January 1991 and before 1 July 1995

Actuarial Table 3* (based on ALT 1990-1992)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under
Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	13.000	12.666	47	19.782	17.978
2	12.999	12.667	48	20.174	18.267
3	13.050	12.706	49	20.589	18.571
4	13.104	12.749	50	21.029	18.892
5	13.162	12.794	51	21.495	19.231
6	13.223	12.841	52	21.990	19.589
7	13.287	12.891	53	22.514	19.967
8	13.354	12.942	54	23.071	20.367
9	13.423	12.996	55	23.662	20.790
10	13.495	13.052	56	24.289	21.239
11	13.571	13.110	57	24.954	21.715
12	13.649	13.171	58	25.661	22.221
13	13.731	13.234	59	26.411	22.760
14	13.817	13.299	60	27.209	23.334
15	13.904	13.366	61	28.057	23.946
16	13.995	13.436	62	28.959	24.600
17	14.087	13.508	63	29.918	25.299
18	14.180	13.581	64	30.941	26.048
19	14.274	13.658	65	32.031	26.850
20	14.370	13.737	66	33.194	27.711
21	14.469	13.818	67	34.439	28.637
22	14.571	13.904	68	35.771	29.633
23	14.678	13.993	69	37.201	30.706
24	14.789	14.086	70	38.737	31.863
25	14.906	14.184	71	40.387	33.111
26	15.029	14.286	72	42.162	34.459
27	15.157	14.392	73	44.070	35.916
28	15.292	14.502	74	46.121	37.490
29	15.434	14.618	75	48.322	39.194
30	15.583	14.740	76	50.682	41.038
31	15.739	14.866	77	53.208	43.036
32	15.904	14.999	78	55.908	45.204
33	16.077	15.138	79	58.788	47.556
34	16.260	15.284	80	61.854	50.109
35	16.452	15.436	81	65.114	52.878
36	16.654	15.596	82	68.574	55.879
37	16.868	15.764	83	72.240	59.129
38	17.093	15.940	84	76.118	62.643
39	17.330	16.124	85	80.214	66.436
40	17.581	16.318	86	84.532	70.520
41	17.845	16.521	87	89.076	74.905
42	18.125	16.735	88	93.847	79.596
43	18.420	16.959	89	98.842	84.589
44	18.732	17.195	90	104.058	89.867
45	19.063	17.442	91	109.528	95.394
46	19.412	17.703			

* for lump sums paid on or after 1 July 1995 and before 1 January 2000

Actuarial Table 4* (based on ALT 1995-1997)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.923	12.617	47	19.278	17.721
2	12.934	12.625	48	19.640	17.997
3	12.982	12.664	49	20.024	18.288
4	13.035	12.706	50	20.431	18.594
5	13.090	12.750	51	20.862	18.918
6	13.148	12.796	52	21.320	19.259
7	13.210	12.844	53	21.806	19.620
8	13.274	12.894	54	22.322	20.002
9	13.340	12.946	55	22.871	20.406
10	13.410	13.000	56	23.454	20.834
11	13.482	13.057	57	24.075	21.288
12	13.557	13.115	58	24.735	21.770
13	13.636	13.175	59	25.439	22.283
14	13.717	13.238	60	26.189	22.829
15	13.801	13.303	61	26.988	23.413
16	13.887	13.370	62	27.840	24.036
17	13.975	13.439	63	28.748	24.703
18	14.064	13.511	64	29.716	25.417
19	14.153	13.584	65	30.749	26.183
20	14.244	13.660	66	31.852	27.005
21	14.337	13.740	67	33.029	27.889
22	14.435	13.822	68	34.286	28.841
23	14.536	13.908	69	35.631	29.866
24	14.642	13.999	70	37.072	30.974
25	14.754	14.093	71	38.617	32.171
26	14.870	14.192	72	40.278	33.469
27	14.991	14.294	73	42.071	34.880
28	15.118	14.402	74	44.012	36.415
29	15.252	14.514	75	46.120	38.089
30	15.392	14.630	76	48.409	39.912
31	15.538	14.752	77	50.888	41.898
32	15.692	14.880	78	53.563	44.054
33	15.854	15.013	79	56.441	46.392
34	16.024	15.152	80	59.524	48.920
35	16.202	15.297	81	62.815	51.656
36	16.390	15.450	82	66.315	54.624
37	16.588	15.609	83	70.021	57.856
38	16.796	15.777	84	73.926	61.377
39	17.015	15.953	85	78.016	65.206
40	17.246	16.137	86	82.268	69.353
41	17.490	16.331	87	86.645	73.808
42	17.748	16.534	88	91.090	78.536
43	18.021	16.748	89	95.515	83.481
44	18.309	16.973	90	99.799	88.585
45	18.613	17.210	91	103.788	93.783
46	18.936	17.459			

* for lump sums paid on or after 1 January 2000 and before 1 July 2004

Actuarial Table 5* (based on ALT 2000-2002)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.824	12.556	47	18.655	17.343
2	12.835	12.565	48	18.977	17.597
3	12.881	12.602	49	19.318	17.865
4	12.931	12.643	50	19.679	18.147
5	12.983	12.685	51	20.062	18.444
6	13.038	12.729	52	20.467	18.757
7	13.095	12.775	53	20.898	19.088
8	13.154	12.822	54	21.354	19.438
9	13.216	12.872	55	21.839	19.807
10	13.281	12.924	56	22.354	20.198
11	13.348	12.977	57	22.901	20.612
12	13.418	13.033	58	23.482	21.052
13	13.491	13.091	59	24.099	21.517
14	13.566	13.151	60	24.757	22.013
15	13.644	13.213	61	25.456	22.540
16	13.725	13.276	62	26.201	23.102
17	13.807	13.342	63	26.994	23.703
18	13.890	13.410	64	27.841	24.346
19	13.973	13.480	65	28.745	25.035
20	14.058	13.553	66	29.712	25.775
21	14.146	13.628	67	30.747	26.571
22	14.238	13.707	68	31.858	27.427
23	14.334	13.788	69	33.050	28.350
24	14.434	13.874	70	34.330	29.344
25	14.538	13.962	71	35.707	30.417
26	14.646	14.055	72	37.187	31.575
27	14.758	14.152	73	38.776	32.825
28	14.875	14.253	74	40.484	34.175
29	14.998	14.358	75	42.319	35.635
30	15.127	14.468	76	44.286	37.223
31	15.262	14.583	77	46.395	38.963
32	15.404	14.703	78	48.654	40.873
33	15.553	14.828	79	51.069	42.963
34	15.710	14.959	80	53.652	45.239
35	15.874	15.095	81	56.445	47.704
36	16.047	15.238	82	59.491	50.364
37	16.228	15.388	83	62.788	53.223
38	16.419	15.544	84	66.293	56.283
39	16.619	15.708	85	69.953	59.548
40	16.830	15.880	86	73.711	63.017
41	17.051	16.059	87	77.514	66.691
42	17.285	16.248	88	81.311	70.567
43	17.530	16.446	89	85.060	74.637
44	17.789	16.654	90	88.729	78.889
45	18.063	16.872	91	92.317	83.299
46	18.351	17.102			

* for lump sums paid on or after 1 July 2004 and before 1 January 2010

Actuarial Table 6* (based on ALT 2005-2007)

Initial fortnightly amount of an indexed pension equivalent to a lump sum of \$10,000 under
Section 25A of the VEA

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.742	12.514	47	18.286	17.130
2	12.754	12.523	48	18.585	17.372
3	12.797	12.560	49	18.901	17.627
4	12.844	12.599	50	19.235	17.896
5	12.894	12.639	51	19.588	18.179
6	12.946	12.682	52	19.961	18.478
7	13.000	12.726	53	20.356	18.794
8	13.056	12.772	54	20.775	19.129
9	13.115	12.820	55	21.219	19.484
10	13.176	12.870	56	21.692	19.860
11	13.239	12.922	57	22.196	20.260
12	13.305	12.976	58	22.732	20.685
13	13.374	13.032	59	23.304	21.136
14	13.445	13.089	60	23.913	21.615
15	13.518	13.149	61	24.562	22.126
16	13.595	13.211	62	25.255	22.670
17	13.673	13.274	63	25.994	23.251
18	13.752	13.340	64	26.783	23.873
19	13.832	13.408	65	27.627	24.541
20	13.914	13.478	66	28.531	25.260
21	14.000	13.551	67	29.502	26.035
22	14.088	13.628	68	30.546	26.871
23	14.181	13.707	69	31.672	27.776
24	14.278	13.790	70	32.890	28.754
25	14.378	13.876	71	34.212	29.814
26	14.483	13.966	72	35.654	30.964
27	14.593	14.060	73	37.226	32.213
28	14.707	14.158	74	38.935	33.572
29	14.826	14.260	75	40.782	35.052
30	14.951	14.366	76	42.775	36.669
31	15.081	14.477	77	44.927	38.439
32	15.218	14.593	78	47.257	40.381
33	15.361	14.714	79	49.786	42.513
34	15.510	14.840	80	52.532	44.857
35	15.667	14.972	81	55.516	47.433
36	15.831	15.110	82	58.756	50.261
37	16.003	15.255	83	62.269	53.364
38	16.184	15.405	84	66.068	56.762
39	16.374	15.563	85	70.161	60.474
40	16.573	15.729	86	74.549	64.518
41	16.782	15.902	87	79.217	68.906
42	17.002	16.083	88	84.135	73.645
43	17.233	16.273	89	89.257	78.729
44	17.476	16.472	90	94.531	84.137
45	17.732	16.681	91	99.904	89.835
46	18.002	16.900			

* for lump sums paid on or after 1 January 2010



Australian Government
Australian Government Actuary

Veterans' Entitlements Act 1986

Section 30C

Instructions

1. I, Peter Martin, Australian Government Actuary, have prepared these Instructions for the purposes of section 30C of the *Veterans' Entitlements Act 1986* (the Act).

Dated this 15th day of January 2010

A handwritten signature in black ink, appearing to be 'P. Martin', written over a faint circular stamp or watermark.

Peter Martin
Australian Government Actuary

Rate per fortnight of compensation

2. For the purposes of paragraph 30C (1) (d), 30C (2) (d) or 30C (3) (d) of the Act (as the case may be), the “**rate per fortnight**” is determined by the following formula:

$$\text{Compensation rate} \times \text{Indexation factor}$$

Definitions

3. For the purposes of these Instructions:

“**Actuarial factor**” means:

- (a) in respect of a male, the figure set out in column 2 of the Actuarial Table opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **commencing date**;
- (b) in respect of a female, the figure set out in column 3 of the Actuarial Table opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **commencing date**.

“**commencing date**” means:

- (a) the earlier date referred to in paragraph 30C (1) (f) of the Act; or
 - (b) the later day referred to in paragraph 30C (2) (f) of the Act; or
 - (c) the later day referred to in paragraph 30C (3) (f) of the Act;
- as the case may be;

“**Compensation rate**” is

- (a) in relation to the **initial period**—the **Initial rate**;
- (b) in relation to the first six month period after the **initial period**—the **Initial rate**;
- (c) in relation to each subsequent six month period—the **rate per fortnight** for the previous six month period.

“**Index factor**”, in relation to a **relevant period**:

- (a) is the number, calculated to 3 decimal places, ascertained by dividing:
 - (i) if the relevant period starts between 1 January and 30 June (inclusive)—the **index number** for the last preceding December quarter; or
 - (ii) if the relevant period starts between 1 July and 31 December (inclusive)—the **index number** for the last preceding June quarter;by the highest **index number** in respect of a December or June quarter that preceded that quarter; or
- (b) if the number so ascertained would, if it were calculated to 4 decimal places, end in a number greater than 4—is the number so ascertained increased by 0.001.

“**index number**”, has the same meaning as it has in section 198 of the Act.

“**indexation day**” is 20 March and 20 September of each year.

“**Indexation factor**” is determined by the following table:

condition	Indexation factor
in respect of the initial period	1
in respect of each six month period after the initial period if the Index factor is less than 1	1
in respect of each six month period after the initial period if the Index factor is equal to or greater than 1	the Index factor

“**initial period**” means the period beginning on the **lump sum date** and ending immediately before the next **indexation day** after the date of the first application of section 30C to the particular case.

“**Initial rate**” is:

$$(\text{Lump sum} \times \text{Actuarial factor}) \div 10,000$$

“**Lump sum**” means the amount of the lump sum of compensation in dollars.

“**Lump sum date**” means the date of payment of compensation.

“**relevant period**” has the same meaning as it has in section 198 of the Act.

Application

4. This Instruction applies to all matters to which section 30C of the Act first applies on and after the date of this Instruction.

ACTUARIAL TABLE (BASED ON ALT 2005-2007)

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.742	12.514	47	18.286	17.130
2	12.754	12.523	48	18.585	17.372
3	12.797	12.560	49	18.901	17.627
4	12.844	12.599	50	19.235	17.896
5	12.894	12.639	51	19.588	18.179
6	12.946	12.682	52	19.961	18.478
7	13.000	12.726	53	20.356	18.794
8	13.056	12.772	54	20.775	19.129
9	13.115	12.820	55	21.219	19.484
10	13.176	12.870	56	21.692	19.860
11	13.239	12.922	57	22.196	20.260
12	13.305	12.976	58	22.732	20.685
13	13.374	13.032	59	23.304	21.136
14	13.445	13.089	60	23.913	21.615
15	13.518	13.149	61	24.562	22.126
16	13.595	13.211	62	25.255	22.670
17	13.673	13.274	63	25.994	23.251
18	13.752	13.340	64	26.783	23.873
19	13.832	13.408	65	27.627	24.541
20	13.914	13.478	66	28.531	25.260
21	14.000	13.551	67	29.502	26.035
22	14.088	13.628	68	30.546	26.871
23	14.181	13.707	69	31.672	27.776
24	14.278	13.790	70	32.890	28.754
25	14.378	13.876	71	34.212	29.814
26	14.483	13.966	72	35.654	30.964
27	14.593	14.060	73	37.226	32.213
28	14.707	14.158	74	38.935	33.572
29	14.826	14.260	75	40.782	35.052
30	14.951	14.366	76	42.775	36.669
31	15.081	14.477	77	44.927	38.439
32	15.218	14.593	78	47.257	40.381
33	15.361	14.714	79	49.786	42.513
34	15.510	14.840	80	52.532	44.857
35	15.667	14.972	81	55.516	47.433
36	15.831	15.110	82	58.756	50.261
37	16.003	15.255	83	62.269	53.364
38	16.184	15.405	84	66.068	56.762
39	16.374	15.563	85	70.161	60.474
40	16.573	15.729	86	74.549	64.518
41	16.782	15.902	87	79.217	68.906
42	17.002	16.083	88	84.135	73.645
43	17.233	16.273	89	89.257	78.729
44	17.476	16.472	90	94.531	84.137
45	17.732	16.681	91	99.904	89.835
46	18.002	16.900			



Australian Government

Australian Government Actuary

Veterans' Entitlements Act 1986

Section 74

Instructions

1. I, Peter Martin, Australian Government Actuary, have prepared these Instructions for the purposes of section 74 of the *Veterans' Entitlements Act 1986* (the Act).

Dated this 15th day of January 2010

A handwritten signature in black ink, appearing to be 'P. Martin', written in a cursive style.

Peter Martin
Australian Government Actuary

Rate per fortnight of compensation

2. For the purposes of subsection 74 (3), 74 (3A) or 74 (3B) of the Act (as the case may be), the “**rate per fortnight**” is determined by the following formula:

$$\text{Compensation rate} \times \text{Indexation factor}$$

Definitions

3. For the purposes of these Instructions:

“**Actuarial factor**” means:

- (a) in respect of a male, the figure set out in column 2 of the Actuarial Table opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **commencing date**;
- (b) in respect of a female, the figure set out in column 3 of the Actuarial Table opposite the age in column 1 that the person would have been, or would be, on the next birthday after the **commencing date**.

“**commencing date**” means:

- (a) the earlier date referred to in subsection 74 (3) of the Act; or
- (b) the later day referred to in paragraph 74 (3A) (e) of the Act; or
- (c) the later day referred to in paragraph 74 (3B) (e) of the Act;

as the case may be;

“**Compensation rate**” is

- (a) in relation to the **initial period**—the **Initial rate**;
- (b) in relation to the first six month period after the **initial period**—the **Initial rate**;
- (c) in relation to each subsequent six month period—the **rate per fortnight** for the previous six month period.

“**Index factor**”, in relation to a **relevant period**:

- (a) is the number, calculated to 3 decimal places, ascertained by dividing:
 - (i) if the relevant period starts between 1 January and 30 June (inclusive)—the **index number** for the last preceding December quarter; or
 - (ii) if the relevant period starts between 1 July and 31 December (inclusive)—the **index number** for the last preceding June quarter;

by the highest **index number** in respect of a December or June quarter that preceded that quarter; or

- (b) if the number so ascertained would, if it were calculated to 4 decimal places, end in a number greater than 4—is the number so ascertained increased by 0.001.

“**index number**”, has the same meaning as it has in section 198 of the Act.

“**indexation day**” is 20 March and 20 September of each year.

“**Indexation factor**” is determined by the following table:

condition	Indexation factor
in respect of the initial period	1
in respect of each six month period after the initial period if the Index factor is less than 1	1
in respect of each six month period after the initial period if the Index factor is equal to or greater than 1	the Index factor

“**initial period**” means the period beginning on the **lump sum date** and ending immediately before the next **indexation day** after the date of the first application of section 74 to the particular case.

“**Initial rate**” is:

$$(\text{Lump sum} \times \text{Actuarial factor}) \div 10,000$$

“**Lump sum**” means the amount of the lump sum of compensation in dollars.

“**Lump sum date**” means the date of payment of compensation.

“**relevant period**” has the same meaning as it has in section 198 of the Act.

Application

4. This Instruction applies to all matters to which subsection 74 (3), 74 (3A), or 74 (3B) of the Act first applies on and after the date of this Instruction.

Actuarial Table (based on ALT 2005-2007)

AGE NEXT BIRTHDAY	MALES	FEMALES	AGE NEXT BIRTHDAY	MALES	FEMALES
1	12.742	12.514	47	18.286	17.130
2	12.754	12.523	48	18.585	17.372
3	12.797	12.560	49	18.901	17.627
4	12.844	12.599	50	19.235	17.896
5	12.894	12.639	51	19.588	18.179
6	12.946	12.682	52	19.961	18.478
7	13.000	12.726	53	20.356	18.794
8	13.056	12.772	54	20.775	19.129
9	13.115	12.820	55	21.219	19.484
10	13.176	12.870	56	21.692	19.860
11	13.239	12.922	57	22.196	20.260
12	13.305	12.976	58	22.732	20.685
13	13.374	13.032	59	23.304	21.136
14	13.445	13.089	60	23.913	21.615
15	13.518	13.149	61	24.562	22.126
16	13.595	13.211	62	25.255	22.670
17	13.673	13.274	63	25.994	23.251
18	13.752	13.340	64	26.783	23.873
19	13.832	13.408	65	27.627	24.541
20	13.914	13.478	66	28.531	25.260
21	14.000	13.551	67	29.502	26.035
22	14.088	13.628	68	30.546	26.871
23	14.181	13.707	69	31.672	27.776
24	14.278	13.790	70	32.890	28.754
25	14.378	13.876	71	34.212	29.814
26	14.483	13.966	72	35.654	30.964
27	14.593	14.060	73	37.226	32.213
28	14.707	14.158	74	38.935	33.572
29	14.826	14.260	75	40.782	35.052
30	14.951	14.366	76	42.775	36.669
31	15.081	14.477	77	44.927	38.439
32	15.218	14.593	78	47.257	40.381
33	15.361	14.714	79	49.786	42.513
34	15.510	14.840	80	52.532	44.857
35	15.667	14.972	81	55.516	47.433
36	15.831	15.110	82	58.756	50.261
37	16.003	15.255	83	62.269	53.364
38	16.184	15.405	84	66.068	56.762
39	16.374	15.563	85	70.161	60.474
40	16.573	15.729	86	74.549	64.518
41	16.782	15.902	87	79.217	68.906
42	17.002	16.083	88	84.135	73.645
43	17.233	16.273	89	89.257	78.729
44	17.476	16.472	90	94.531	84.137
45	17.732	16.681	91	99.904	89.835
46	18.002	16.900			



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4 February 2010

FOI 4338
Document 23

s 22

Assistant Director
Rehabilitation, Compensation & Income Support Policy
Department of Veterans' Affairs
PO Box 21
WODEN ACT 2606

Dear s 22

**ADVICE UNDER THE MILITARY REHABILITATION AND COMPENSATION
(CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) ACT 2004 (THE ACT)**

In this letter I have set out a table of age-based numbers as requested by you in your email of 19 January 2010, for application under Regulation 4 of the *Military Rehabilitation and Compensation (Consequential and Transitional Provisions) Regulations 2004*.

Regulations 4 and 5 are set out at Attachment 2 to this letter.

I have provided a table of aged-based numbers to be applied in cases where the SRCA lump sum is paid on or after the date of this letter (but before I provide written advice stating that a new table of factors should be applied). I have previously provided tables to be applied in those cases where the SRCA lump sum is paid before the date of this letter.

Since the principles applying here are the same as those that apply under ss 30 and 74 of the *Veterans' Entitlements Act 1986* (VEA), it is appropriate that the factors applied here are consistent with those used for VEA purposes. Accordingly, I have adopted the following assumptions for the purpose:

- Mortality is in line with ALT 2005-07;
- Age is age next birthday at the date of payment of the SRCA lump sum;
- Discount rate is 3% per annum.

The age-based numbers should be updated approximately every five years, in line with the publication of the Australian Life Tables (ALT), as they provide a means of review. The next publication of ALT is likely to be during 2014.

Should you wish to discuss this matter, please do not hesitate to call me on 6263 4127.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Peter Martin', written in a cursive style.

Peter Martin
Australian Government Actuary

ATTACHMENT 1

Age-based numbers for converting a lump sum paid under sections 24, 25 or 27 of the SRCA on or after the date of this letter to a weekly amount for the purposes of subsection 14(2) of the MRC(C&TP)A					
Age Next Birthday at the date of payment of the lump sum	Male	Female	Age Next Birthday at the date of payment of the lump sum	Male	Female
15	1479.5	1521.0	56	922.0	1007.0
16	1471.2	1513.9	57	901.1	987.2
17	1462.8	1506.7	58	879.8	966.9
18	1454.3	1499.3	59	858.2	946.3
19	1445.9	1491.7	60	836.4	925.3
20	1437.4	1483.9	61	814.3	903.9
21	1428.6	1475.9	62	791.9	882.2
22	1419.6	1467.6	63	769.4	860.2
23	1410.3	1459.1	64	746.7	837.8
24	1400.8	1450.3	65	723.9	815.0
25	1391.0	1441.3	66	701.0	791.8
26	1380.9	1432.0	67	677.9	768.2
27	1370.5	1422.5	68	654.8	744.3
28	1359.9	1412.7	69	631.5	720.1
29	1348.9	1402.6	70	608.1	695.6
30	1337.7	1392.2	71	584.6	670.8
31	1326.1	1381.5	72	561.0	645.9
32	1314.3	1370.5	73	537.3	620.9
33	1302.0	1359.3	74	513.7	595.7
34	1289.5	1347.7	75	490.4	570.6
35	1276.6	1335.8	76	467.6	545.4
36	1263.4	1323.6	77	445.2	520.3
37	1249.8	1311.1	78	423.2	495.3
38	1235.8	1298.2	79	401.7	470.4
39	1221.5	1285.1	80	380.7	445.9
40	1206.8	1271.6	81	360.3	421.7
41	1191.7	1257.7	82	340.4	397.9
42	1176.3	1243.6	83	321.2	374.8
43	1160.6	1229.1	84	302.7	352.4
44	1144.4	1214.2	85	285.1	330.7
45	1127.9	1199.0	86	268.3	310.0
46	1111.0	1183.4	87	252.5	290.3
47	1093.7	1167.5	88	237.7	271.6
48	1076.1	1151.2	89	224.1	254.0
49	1058.1	1134.6	90	211.6	237.7
50	1039.8	1117.6			
51	1021.1	1100.2			
52	1002.0	1082.4			
53	982.5	1064.2			
54	962.7	1045.5			
55	942.5	1026.5			

ATTACHMENT 2

REGULATIONS 4 and 5 of the *Military Rehabilitation and Compensation (Consequential and Transitional Provisions) Regulations 2004*4 **Method of converting lump sum amounts paid under sections 24, 25 and 27 of SRCA into weekly amounts**

- (1) For paragraph 24 (3) (b) of the Act, this regulation sets out the method of converting into a weekly amount the sum of any previous payments of a lump sum to a person under sections 24, 25 and 27 of the SRCA.

Note Subsection 14 (2) of the Act applies regulations made for paragraph 24 (3) (b) of the Act.

- (2) For subregulation (1), and subject to regulation 5, the method is:

$$\frac{\text{current lump sum amount}}{\text{aged based number}}$$

where:

aged based number means the number that is advised by the Australian Government Actuary by reference to the age of the person on the day on which the lump sum amount for section 24, 25 or 27 of the SRCA was paid to the person, and the gender of the person.

current lump sum amount means the amount worked out in accordance with subregulation (3).

- (3) The ***current lump sum amount*** means the amount worked out using the following formula:

$$\text{previous lump sum amount} \times \frac{\text{maximum amount for the current financial year}}{\text{maximum amount for the relevant financial year}}$$

where:

maximum amount means the maximum amount specified in subsection 24 (9) of the SRCA, as indexed in accordance with section 13 of that Act.

previous lump sum amount means the sum of any amounts previously:

- (a) assessed as payable to the person under sections 24, 25 and 27 of the SRCA; and
 (b) paid as a lump sum or lump sums.

relevant financial year means the financial year in which an amount of compensation was paid to the person under section 24, 25 or 27 of the SRCA.

5 Weekly amount to be indexed

- (1) For the application of these Regulations for subsection 14 (2) of the Act, the weekly amount worked out under regulation 4 is the weekly amount by which the maximum weekly amount of a Special Rate Disability Pension (**SRDP**) must be reduced in the first financial year in which the SRDP is payable.

Note Section 203 of the MRCA provides the day from which an SRDP is payable.

- (2) In the second and subsequent financial years in which the SRDP is payable, the indexation provisions of section 404 of the MRCA apply to the weekly amount worked out under regulation 4 as if a reference to **dollar amount** in that section is a reference to **weekly amount**.

Ref No.:

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15 January 2010

s 22
Director
Communication and External Liaison
Rehabilitation, Compensation & Income Support Policy
PO Box 21
Woden ACT 2606

Dear s 22

**ADVICE UNDER THE MILITARY REHABILITATION AND COMPENSATION ACT 2004 AND
INSTRUCTIONS UNDER THE VETERANS ENTITLEMENTS ACT 1986**

In this letter I have set out advice and tables of numbers as required under the *Military Rehabilitation and Compensation Act 2004* (the MRCA), and as requested by you in your email of 10 November 2009.

In particular, in this letter, I have provided advice on:

- Converting permanent impairment periodic payments to a lump sum (MRCA subsections 78(5) and (6));
- Converting a superannuation lump sum to a weekly amount (MRCA subsection 135(2) and used in sections 135 and 136);
- Age adjusting the additional death benefit (MRCA subsection 234(2)), with no adjustment until after age 40; and
- Converting a wholly dependent partner weekly amount to a lump sum (MRCA subsection 234(4)).

I have also attached formal instructions to this letter as required under sections 25A, 30C and 74 of the *Veterans Entitlements Act 1986*.

MRCA subsections 78(5) and (6)

The MRCA provides that a person may choose to convert some or all of certain categories of weekly compensation to a lump sum. Specifically, subsection 78(5) requires that the

weekly amount converted to a lump sum

be calculated in accordance with advice from the Australian Government Actuary (AGA) by reference to the person's age at the date of notification of their entitlement.

AGA Advice

weekly amount converted to a lump sum

is to be obtained by multiplying the **relevant amount** by the **appropriate factor**.

The **relevant amount** is that part of the weekly amount that would otherwise be payable to the person which the person elects to convert to a lump sum.

The **appropriate factor** comes from the table provided (refer Attachment A), by reference to the person's age at the date of notification of their entitlement.

I have adopted the following assumptions in calculating the factors:

- Mortality is in line with ALT 2005-07 (Males and Females);
- Age is age next birthday at the date of the notice;
- Discount rate is 3% per annum;
- Factors are not greater than the factor for a male aged 30 (specified in subsection 78(6)).

Table of factors and Examples

The table of factors is given at Attachment A to this letter.

The table of factors is to be used for the purpose in respect of any election which is made after the date of this letter and before revised advice is issued by the Australian Government Actuary.

MRCA subsections 135(2) and used in sections 135 and 136

s135 – Amount of compensation for retired person who has received only Commonwealth superannuation lump sum

The MRCA requires that if the Commonwealth is liable to pay compensation under section 118 (Compensation for incapacitated former members) and the person has received a Commonwealth superannuation lump sum, then the amount of the weekly compensation is worked out using the following formula:

$$\text{Person's Subdivision C compensation amount} - \frac{\text{Person's superannuation lump sum amount}}{\text{Person's superannuation age-based number}}$$

s136 - Amount of compensation for retired person receiving both superannuation pension and lump sum

The MRCA requires that if the Commonwealth is liable to pay compensation under section 118 (Compensation for incapacitated former members) and the person is receiving a Commonwealth superannuation pension and has received a lump sum, then the amount of the weekly compensation is worked out using the following formula:

$$\text{Person's Subdivision C compensation amount} - \left[\text{Person's superannuation pension amount for the week} + \frac{\text{Person's superannuation lump sum amount}}{\text{Person's superannuation age-based number}} \right]$$

Under both sections 135 and 136, the *superannuation age-based number* for a person who receives a lump sum under a Commonwealth superannuation scheme means the number that is advised by the AGA by reference to the person's age on the day on which the lump sum is paid.

I have adopted the following assumptions for the purpose of calculating a suitable set of superannuation aged-based numbers:

- Mortality is in line with ALT 2005-07 (Males and Females);
- Age is age next birthday at the date on which the lump sum is paid;
- Discount rate is 5% per annum.

Table of superannuation age-based numbers

The table of superannuation age-based numbers is given at Attachment B to this letter.

The table of superannuation age-based numbers is to be used whenever subsections 135 or 136 are first applied for a person after the date of this letter and before revised advice is issued by the Australian Government Actuary.

Note that the amount calculated using the table of superannuation age-based numbers under subsections 135 and 136 are fixed for the duration of the Person's Subdivision C compensation amount. That is, the amount is not intended to be indexed from time to time.

MRCAs subsection 234(2) and 234(4)

Subsection 234(2) requires that the amount of lump sum compensation the Commonwealth is liable to pay under section 233 (Compensation for member's death for wholly dependent partners) if the Commission has accepted liability for the member's death (paragraph 1(a)), is worked out using the following formula:

$$\begin{array}{l} \text{Partner's age-based number} \\ \text{for the lump sum under} \\ \text{paragraph 1(a)} \end{array} \quad \times \quad \$100,000$$

Where the *partner's age-based number* under paragraph 1(a) means the number that is advised by the AGA by reference to the partner's age at the date of the member's death.

I have adopted the following assumptions for the purpose:

- Mortality is in line with ALT 2005-07 (Females);
- Partner's age at the date of the member's death is the partner's age next birthday;
- Discount rate is 3% pa;
- The factor is 1 if the partner's age at the date of the member's death is less than or equal to 41.

Table of partner's age-based numbers

The table of partner's age-based numbers for application within subsection 234(2) is given at Attachment C to this letter.

This table of partner's age-based numbers is to be used in the application of subsection 234(2) if the date of the member's death is after the date of this letter and before revised advice is issued by the Australian Government Actuary.

Subsection 234(4) requires the amount of the lump sum compensation the Commonwealth is liable to pay under section 233 (Compensation for member's death for wholly dependent partners) in any case (paragraph 1(b)), is worked out using the following formula:

Partner's age-based number for the lump sum under paragraph 1(b)	x	Weekly amount at the date of the member's death
--	---	--

Where:

- the *partner's age-based number* under paragraph 1(b) means the number that is advised by the AGA by reference to the partner's age at the date of the member's death.
- The *weekly amount* is one half of the fortnightly rate payable under paragraphs 30(1)(a) and (b) of the VEA.

I have adopted the following assumptions for the purpose:

- Mortality in line with ALT 2005-07 (Males and Females);
- Partner's age at the date of the member's death is the partner's age next birthday;
- Discount rate of 2.5% per annum;

Table of partner's age-based numbers

The table of partner's age-based numbers for application within subsection 234(4) is given at Attachment D to this letter.

This table of partner's age-based numbers is to be used in the application of subsection 234(4) if the date of the member's death is after the date of this letter and before revised advice is issued by the Australian Government Actuary.

Note that the partner's age-based numbers for use under subsection 234(2) are different from the partner's age-based numbers for use under subsection 234(4).

Conclusion

All of the factors and numbers presented in this letter should be updated from time to time. Australian Life Tables (ALT) is published every five years. The publication of ALT provides an appropriate time to review the factors. The next publication of ALT is likely to be during 2015.

Should you wish to discuss this matter, please do not hesitate to call me on 6263 4127.

Yours sincerely

Peter Martin
Australian Government Actuary

ATTACHMENT A

ss78(5) of the MRCA

Factors for converting weekly amount (under s68, 71 or 75(2)) to a lump sum under s78(5)					
Age Next Birthday at the Notice Date	Male	Female	Age Next Birthday at the Notice Date	Male	Female
Up to 31	1326.1	1326.1	61	814.3	903.9
32	1314.3	1326.1	62	791.9	882.2
33	1302.0	1326.1	63	769.4	860.2
34	1289.5	1326.1	64	746.7	837.8
35	1276.6	1326.1	65	723.9	815.0
36	1263.4	1323.6	66	701.0	791.8
37	1249.8	1311.1	67	677.9	768.2
38	1235.8	1298.2	68	654.8	744.3
39	1221.5	1285.1	69	631.5	720.1
40	1206.8	1271.6	70	608.1	695.6
41	1191.7	1257.7	71	584.6	670.8
42	1176.3	1243.6	72	561.0	645.9
43	1160.6	1229.1	73	537.3	620.9
44	1144.4	1214.2	74	513.7	595.7
45	1127.9	1199.0	75	490.4	570.6
46	1111.0	1183.4	76	467.6	545.4
47	1093.7	1167.5	77	445.2	520.3
48	1076.1	1151.2	78	423.2	495.3
49	1058.1	1134.6	79	401.7	470.4
50	1039.8	1117.6	80	380.7	445.9
51	1021.1	1100.2	81	360.3	421.7
52	1002.0	1082.4	82	340.4	397.9
53	982.5	1064.2	83	321.2	374.8
54	962.7	1045.5	84	302.7	352.4
55	942.5	1026.5	85	285.1	330.7
56	922.0	1007.0	86	268.3	310.0
57	901.1	987.2	87	252.5	290.3
58	879.8	966.9	88	237.7	271.6
59	858.2	946.3	89	224.1	254.0
60	836.4	925.3	90 and above	211.6	237.7

The following examples illustrate the use of the factors above.

Example 1

In a notice dated 5/6/2010, a male claimant is notified under s76 of entitlement to a weekly amount of \$245.82 under s68. He chooses to convert 100% of this amount to a lump sum under s78. His date of birth is 1/10/1979.

The relevant calculations are as follows:

Appropriate percentage of the weekly amount payable to the person, as at the date of the notice

= 100% of \$245.82

= \$245.82

Age at date of notice is 30 years and 8 months

Therefore **age next birthday** at the date of notice is 31.

The relevant factor is 1326.1

Therefore, weekly amount converted to a lump sum is

$\$245.82 \times 1326.1$

= \$325,981.90

Note that these examples give the lump sum as at the date of the notice. Depending on payment delays, certain adjustments may need to be made. For example, interest may have to be added, and/or other amounts may have to be deducted

Example 2

In a notice dated 25/3/2010, a female claimant is notified under s76 of entitlement to a weekly amount of \$29.50 under s75(2). She chooses to convert 50% of this amount to a lump sum under s78. Her date of birth is 1/10/1978.

The relevant calculations are as follows:

Appropriate percentage of the weekly amount payable to the person, as at the date of the notice

= 50% of \$29.50

= \$14.75

Age at date of notice is 31 years and 6 months

Therefore **age next birthday** at the date of notice is 32.

The relevant factor is 1326.1

Therefore, weekly amount converted to a lump sum is

$$\$14.75 \times 1326.1$$

$$= \$19,559.98$$

Example 3

In a notice dated 20/10/2010, a female claimant is notified under s76 of entitlement to a weekly amount of \$116.54 under s68. She chooses to convert 25% of this amount to a lump sum under s78. Her date of birth is 1/10/1970.

The relevant calculations are as follows:

Appropriate percentage of the weekly amount payable to the person, as at the date of the notice

$$= 25\% \text{ of } \$116.54$$

$$= \$29.14$$

Age at date of notice is 40 years and 1 month

Therefore **age next birthday** at the date of notice is 41.

The relevant factor is 1257.7

Therefore, weekly amount converted to a lump sum is

$$\$29.14 \times 1257.7$$

$$= \$36,649.38$$

ATTACHMENT B

ss 135 and 136 of the MRCA

Superannuation aged-based numbers under ss 135 and 136					
Age Next Birthday on the day on which the lump sum is paid	Male	Female	Age Next Birthday on the day on which the lump sum is paid	Male	Female
20	993.0	1011.7	46	846.6	886.0
21	989.9	1009.0	47	837.3	878.0
22	986.7	1006.3	48	827.6	869.6
23	983.3	1003.4	49	817.6	861.0
24	979.8	1000.4	50	807.2	852.0
25	976.1	997.2	51	796.5	842.7
26	972.2	993.9	52	785.4	833.0
27	968.2	990.4	53	774.0	823.0
28	963.9	986.8	54	762.1	812.5
29	959.5	983.0	55	749.8	801.7
30	954.9	979.0	56	737.2	790.4
31	950.1	974.9	57	724.1	778.7
32	945.1	970.5	58	710.6	766.7
33	939.8	966.0	59	696.7	754.2
34	934.3	961.2	60	682.5	741.3
35	928.5	956.3	61	667.9	728.0
36	922.5	951.1	62	653.0	714.3
37	916.2	945.7	63	637.7	700.2
38	909.7	940.1	64	622.2	685.6
39	902.9	934.2	65	606.3	670.5
40	895.7	928.1			
41	888.3	921.8			
42	880.6	915.1			
43	872.6	908.3			
44	864.2	901.1			
45	855.6	893.7			

Superannuation age-based numbers under ss135 and 136 for ages other than those given in the Table above can be provided on request.

ATTACHMENT C

s234(2) of the MRCA

Partner's age-based number under s234(2) of the MRCA			
Partner's age next birthday on the date of the member's death	Partner's age based number	Partner's age next birthday on the date of the member's death	Partner's age based number
Up to 41	1.0000	66	0.6295
42	0.9887	67	0.6108
43	0.9772	68	0.5918
44	0.9654	69	0.5725
45	0.9533	70	0.5530
46	0.9409	71	0.5334
47	0.9283	72	0.5136
48	0.9153	73	0.4936
49	0.9021	74	0.4737
50	0.8886	75	0.4537
51	0.8747	76	0.4336
52	0.8606	77	0.4137
53	0.8461	78	0.3938
54	0.8313	79	0.3740
55	0.8162	80	0.3545
56	0.8007	81	0.3352
57	0.7849	82	0.3164
58	0.7688	83	0.2980
59	0.7524	84	0.2801
60	0.7357	85	0.2630
61	0.7187	86	0.2465
62	0.7015	87	0.2308
63	0.6839	88	0.2159
64	0.6661	89	0.2020
65	0.6480	90	0.1890

Note that the partner's age-based numbers in the table above are for use under s234(2). They are different from the partner's age-based numbers required under s234(4). The partner's age-based numbers required under s234(4) are given next in Attachment D.

Partner's age-based numbers under s 234(2) for very old ages (90 and above) can be provided on request.

ATTACHMENT D

s234(4) of the MRCA

Partner's age-based numbers for use under s 234(4)					
Partner's age next birthday on the date of the member's death	Male Partner	Female Partner	Partner's age next birthday on the date of the member's death	Male Partner	Female Partner
18	1625.8	1683.9	56	980.3	1076.6
19	1614.6	1673.6	57	956.7	1053.7
20	1603.3	1663.1	58	932.7	1030.5
21	1591.7	1652.3	59	908.4	1007.0
22	1579.9	1641.2	60	884.0	983.1
23	1567.8	1629.9	61	859.3	959.0
24	1555.4	1618.3	62	834.5	934.5
25	1542.7	1606.4	63	809.6	909.7
26	1529.7	1594.2	64	784.5	884.6
27	1516.4	1581.7	65	759.4	859.2
28	1502.8	1568.9	66	734.3	833.4
29	1488.9	1555.9	67	709.0	807.4
30	1474.6	1542.5	68	683.8	781.0
31	1460.1	1528.8	69	658.5	754.4
32	1445.2	1514.8	70	633.2	727.6
33	1429.9	1500.5	71	607.8	700.6
34	1414.3	1485.8	72	582.4	673.5
35	1398.4	1470.8	73	557.0	646.4
36	1382.0	1455.5	74	531.8	619.3
37	1365.3	1439.9	75	507.0	592.3
38	1348.3	1423.9	76	482.8	565.3
39	1330.9	1407.6	77	459.0	538.5
40	1313.1	1391.0	78	435.8	511.8
41	1294.9	1374.0	79	413.1	485.4
42	1276.4	1356.7	80	391.1	459.4
43	1257.5	1339.0	81	369.6	433.9
44	1238.3	1321.0	82	348.8	408.9
45	1218.7	1302.6	83	328.7	384.6
46	1198.8	1283.9	84	309.5	361.1
47	1178.5	1264.8	85	291.1	338.5
48	1157.8	1245.4	86	273.7	316.9
49	1136.8	1225.6	87	257.4	296.4
50	1115.5	1205.5	88	242.1	277.0
51	1093.8	1185.0	89	228.0	258.9
52	1071.8	1164.1	90 and above	215.1	242.0
53	1049.4	1142.8			
54	1026.7	1121.1			
55	1003.7	1099.1			

Note that the partner's age-based numbers in the table above are for use under s234(4). They are different from the partner's age-based numbers required under s234(2). The partner's age-based numbers required under s234(2) are given earlier in Attachment C.