

From: [REDACTED]
Sent: Thursday, 4 August 2022 9:27 AM
To: Superannuation
Cc: [REDACTED]
Subject: [REDACTED] SUBMISSION REGARDING DOUGLAS DECISION and TPI Gold Card Taxation
Attachments: [REDACTED]

Good Morning Treasury,

I am a TPI (totally permanently incapacitated) pensioner in receipt of taxable fortnightly DVA Incapacity Payments until age 67 when these payments will cease upon attaining the national retirement age.

I served 2 periods of full time Army service from [REDACTED] – [REDACTED] and [REDACTED] – [REDACTED] with Operational Service and am now in receipt of a taxable DFRDB (Defence Force Retirement Death Benefits) defined benefit fortnightly pension.

I transferred from Regular Army in [REDACTED] to Army Reserves.

I was assessed TPI in [REDACTED] by DVA and had to resign from Reserves for medical reasons.

My gross taxable DFRDB pension from CSC (Commonwealth Super Corp) makes up the bulk of my entitlement to taxable Incapacity Payments.

The TPI taxable Incapacity Payments payable are calculated by DVA LESS the following taxable components:

- My gross taxable DFRDB pension
- My gross taxable DFRDB lump sum “Commutations” of which there were two - for 2 periods of service
- My current private gross taxable Super amount / value – commenced when I worked commercially from [REDACTED]

TPI recipients under the Veteran Entitlement Act (VEA) receive a tax free pension, yet MRCA Incapacity Payments are taxable.

ADF members who are medically assessed and discharged for a “Class A medical pension” are TPI card entitled and most recently, have had their taxable DFRDB income pensions reclassified as non taxable Disability Super Benefit – and rightly so.

See email trail below whereby I sought CSC determination and advice regards my circumstance. Alas, their response was:

“Although you have advised you were medically discharged from the Reserves, DFRDB only recognizes how a member exited their period of full time service.

If you exited full time service on grounds other than a medical discharge, you can contact the Department of Defence to apply to have your mode of exit changed to medical grounds.”

However, I am a Totally Permanently Incapacitated (TPI) pensioner who is taxed on all components as detailed above and believe this to be wrong in all regards for reason stated.

Please advise path forward.

Regards,

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]