



Headquarters
New Zealand Defence Force
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New Zealand

OIA-2023-4829

13 October 2023

Dear [REDACTED]

I refer to your email of 17 September 2023, seeking a copy of Annex A to Chapter 1 of DM4 as it relates to the End of Service Grant. Your request has been considered under the Official Information Act 1982 (OIA).

Enclosed is a copy of the relevant annex from DM4.

You have the right, under section 28(3) of the OIA, to ask an Ombudsman to review this response to your request. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Please note that responses to official information requests are proactively released where possible. This response to your request will be published shortly on the NZDF website, with your personal information removed.

Yours sincerely

AJ WOODS

Air Commodore

Chief of Staff HQNZDF

Enclosure:

1. Annex A to Chapter 1 to DM4, End of Service Grant

End of Service Grant

Eligibility

1. An end of service grant may be paid, on completion of engagement or release in certain administrative categories (detailed in para 1037 of this Chapter. to the following personnel who were serving in the Regular Force on or after 1 Sep 65 and who have not received a re-engagement bonus:

- a. Male servicemen on engagements of 2 years or more excluding officers serving on special medical or dental engagements.
- b. Servicewomen who have completed five years continuous service in the New Zealand Armed Forces.

Calculation of Service

2. a. Service for the purpose of calculating end of service grant is the current continuous period in the New Zealand Armed Forces up to terminal date at which the entitlement is computed, except that where such service is less than seven years at the date of computation the following periods do not count as reckonable service for the grant.
 - (1) Any period of desertion for which a serviceman has been convicted or has confessed to.
 - (2) The whole period of absence without leave or imprisonment or detention when a serviceman has been convicted of absence without leave or has been sentenced to imprisonment or detention, in either case for a period of 28 days or more.
 - (3) Any continuous period of leave without pay for private reasons of 91 days or more.
- b. Any accumulated annual or other leave which is taken beyond terminal date does not count as reckonable service.
- c. When a serviceman, having completed an engagement, continues to serve without entering into a formal re-engagement or extension of engagement the period of such continued service shall not count as reckonable service.

Calculation of Entitlement

3. End of service grant is computed at Defence HQ in accordance with the following:
 - a. The number of days entitlement is read from the scale (see para 6) according to the length of current continuous service.
 - b. This entitlement is reduced by the number of days of any advance of end of service grant reduced by 25%.
 - c. The value of the net entitlement is calculated on pay at the single living-out rate for rank (including temporary rank) or where applicable, at special rate of pay for officers commissioned from the ranks or at minimum married or minimum 20 year old rates of pay and star classification according to the entitlement existing on the last day of engagement. Marriage allowance, good conduct badge pay, flying pay and parachutist allowances are not included in pay for the purpose of end of service grant.
 - d. From this sum the gross value of any sums previously paid for end of service grants for previous engagements is deducted. The results, less tax, is the sum payable.

4. Tax. Only 5% of end of service grant taken on final release is assessable income under Section 88B of the Land and Income Tax Act 1954.

5. Mirus Entitlement. When the deductions required by para 3 b. and d. exceed the gross entitlement for end of service grant the excess is deducted from release leave; but entitlement to release leave is not to be reduced below 15 days except at the discretion of the ACDS Personnel.

Scale of Grants

6. The scale of end of service grants is as follows:

| | <u>No of Days Pay</u> |
|---|-----------------------|
| Up to 2 years service | Nil |
| Completion of 2 years but less than 3 years | 35 days |
| Completion of 3 years but less than 4 years | 60 days |
| Completion of 4 years but less than 5 years | 85 days |
| Completion of 5 years but less than 6 years | 87 days |
| Completion of 6 years but less than 7 years | 90 days |
| Completion of 7 years but less than 8 years | 87 days |
| Completion of 8 years but less than 9 years | 85 days |
| Completion of 9 years but less than 10 years | 82 days |
| Completion of 10 years but less than 11 years | 79 days |
| Completion of 11 years but less than 12 years | 77 days |
| Completion of 12 years but less than 13 years | 74 days |
| Completion of 13 years but less than 14 years | 71 days |
| Completion of 14 years but less than 15 years | 68 days |
| Completion of 15 years but less than 16 years | 66 days |
| Completion of 16 years but less than 17 years | 62 days |
| Completion of 17 years but less than 18 years | 59 days |
| Completion of 18 years but less than 19 years | 57 days |
| Completion of 19 years but less than 20 years | 54 days |
| Completion of 20 years but less than 21 years | 51 days |
| Completion of 21 years but less than 22 years | 48 days |
| Completion of 22 years but less than 23 years | 46 days |
| Completion of 23 years but less than 24 years | 43 days |
| Completion of 24 years but less than 25 years | 40 days |
| Completion of 25 years but less than 26 years | 37 days |
| Completion of 26 years but less than 27 years | 34 days |
| Completion of 27 years but less than 28 years | 31 days |
| Completion of 28 years but less than 29 years | 28 days |
| Completion of 29 years but less than 30 years | 26 days |
| Completion of 30 years but less than 31 years | 23 days |
| Completion of 31 years but less than 32 years | 20 days |
| Completion of 32 years but less than 33 years | 18 days |
| Completion of 33 years but less than 34 years | 15 days |
| Completion of 34 years but less than 35 years | 13 days |
| Completion of 35 years but less than 36 years | 10 days |
| Completion of 36 years but less than 37 years | 9 days |
| Completion of 37 years but less than 38 years | 6 days |
| Completion of 38 years but less than 39 years | 3 days |
| Completion of 39 years but less than 40 years | 2 days |
| Completion of 40 years or more years service | - |

7. EOSG is not payable for any engagement entered into after 31 August 1976.

Benefits Under Old Conditions

1033. Before release instructions are issued by Defence Headquarters the serviceman's service record is to be examined to establish whether:

- a. He is entitled to release under the old conditions;
- b. These conditions provide greater benefit to him than the new terminal benefit.

1034. In general greater benefit could accrue on the old conditions to servicemen in the following categories:

- a. Those released on former terminal date where service totals less than 10 years;
- b. Those discharged through no fault of their own during the period of their former engagement where total service is less than 10 years;
- c. Those released on former terminal date who had had a number of years previous state service which was continuous with their former engagement;
- d. Those aircrew officers released under circumstances which give entitlement to aircrew terminal grant in accordance with the rules previously applying.

1035. Release instructions issued for such personnel will specify the benefits payable in accordance with the rules detailed below and in the Annexes to this Chapter.

1036. Released on Former Terminal Date. A serviceman who elects to take his discharge on the terminal date of his former engagement will be granted end of service grant and release leave if this entitlement is greater than terminal benefit. This provision will not apply where the actual terminal date is varied at the serviceman's own request. Eligibility for Scale A terminal benefit will always depend on the requisite notice being given in accordance with para 16008.

1037. Administrative Release During Period of Former Engagement.

Where a serviceman is granted an administrative release on grounds of medical unfitness (Cat C) or unsuitability (Cat E) or services no longer required (Cat F) during the period covered by his former engagement he will be granted end of service grant and release leave if these would exceed his terminal benefit entitlement.

1038. Previous State Service. Where a serviceman has had a number of years previous state service which was continuous with his Armed Forces service, he will be granted release benefits under the old release leave and end of service grant rules if these exceed the new terminal benefit, provided that he is being released on his former terminal date or is granted an administrative release as in para 1037 above.

1039. Air Crew Terminal Grant. Where a serviceman has already earned an entitlement to aircrew terminal grant or earns such entitlement by completing his former engagement, he may on release be granted that entitlement together with release leave and end of service grant for airman service if applicable, if these exceed terminal benefit, subject to his satisfying the conditions of Annex C to this Chapter.

1040. The relevant rules governing entitlements under the old conditions are attached as Annexes to this Chapter.

1041 - 1060. Reserved.