

Explaining class action settlement payments

Eligible group members of the 'Robodebt' (Social Security Debt Collection) class action (VID1252/2019) are getting settlement payments from the agreed \$112 million settlement sum.

The Commonwealth and the applicants (represented by Gordon Legal) agreed to settle the class action. The Federal Court approved the way settlement payments were calculated for eligible group members.

How were settlement payments worked out?

The amount each eligible group member receives depends on:

- When they repaid money towards eligible debts
- How much they repaid
- When they were refunded
- How many eligible group members registered for a settlement payment

People who paid back more, and were without their money for longer, will get larger settlement payments.

Step 1: Working out the settlement distribution

The Federal Court approved the agreed settlement sum of \$112 million.

First, Gordon Legal's costs of \$10.3 million were deducted from the settlement sum. These costs were approved by the Court.

This left \$101.7 million to be distributed among eligible group members. This amount is known as the 'distribution sum'. Eligible group members get settlement payments from this amount.

Step 2: Calculating interest

The second step is calculating the 'simple interest' on the money the group member repaid the agency.

For every day the group member was without the money they repaid on an eligible debt, an interest amount is calculated. The interest rates used for the calculation were set by the Federal Court.

Daily interest amounts are then added together to give a total interest amount for each eligible debt.

Step 3: Working out added amounts

After calculating interest for all eligible group members, there was money left from the distribution sum. Every eligible group member gets a portion of the left over amount, called the 'added settlement amount'.

Added settlement amounts are proportional to each group member's interest amount. The more interest they get, the larger their added settlement amount.

Step 4: Adding it up

The final step is adding the interest amount (step 2) and their 'added settlement amount' (step 3) together. The sum of their interest amount and 'added settlement amount' is their total settlement payment amount.



Settlement payment amounts

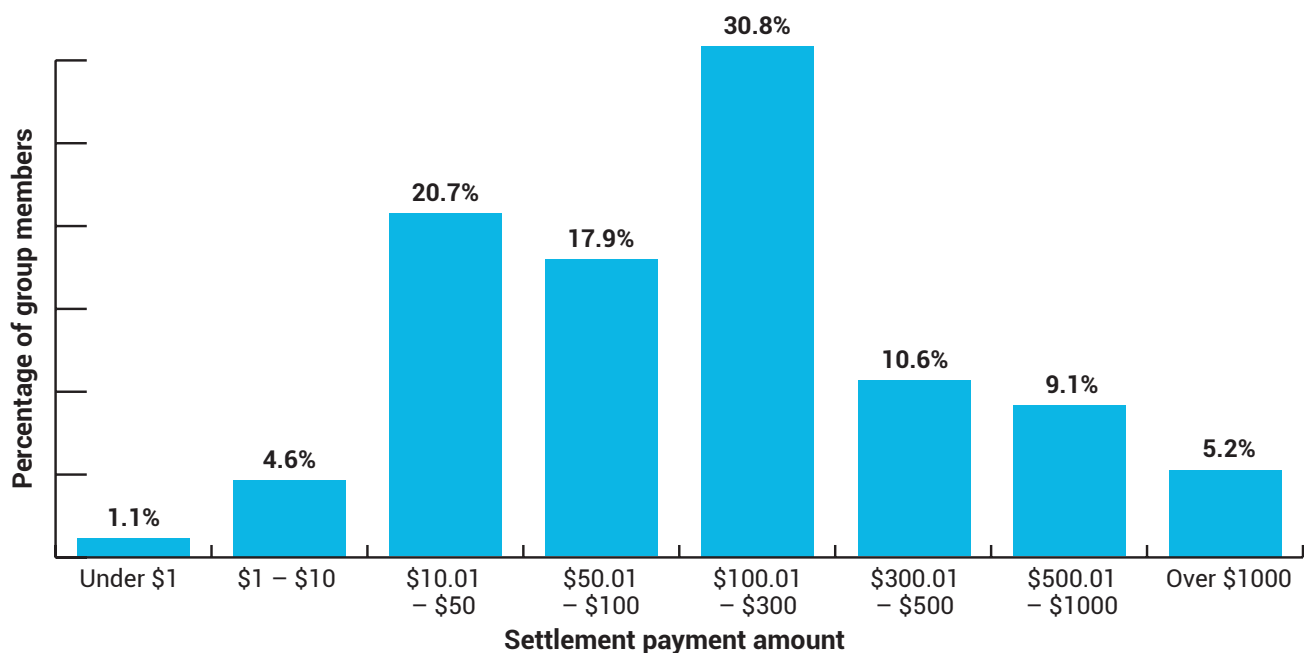
The amount each eligible group member receives will be different. Because settlement payments are calculated like interest, most people will not get large amounts of money. Around half of settlement payments will be between \$50 and \$300.

People who repaid small amounts or got a refund of the repayments soon after may get less than \$50, and in some cases less than \$10 as a settlement payment.

You can see a breakdown of how amounts have been distributed by payment ranges below.

Breakdown by payment ranges

Payment range	Percentage of group members
Under \$1	1.1%
\$1 – \$10	4.6%
\$10.01 – \$50	20.7%
\$50.01 – \$100	17.9%
\$100.01 – \$300	30.8%
\$300.01 – \$500	10.6%
\$500.01 – \$1000	9.1%
Over \$1000	5.2%



Where can group members get more information?

People can view details of their individual settlement calculation in their settlement statement.

To get a settlement statement, they should:

- Go to my.gov.au and sign in
- Select Centrelink
- Go to 'Income Compliance' in the menu
- Select 'Class action settlement statement'.

They can also call the Income Compliance line and ask for a settlement statement to be sent by post. If people think their calculation is incorrect, they can ask for a review of their settlement payment amount.

They'll find the steps for asking for a review on their settlement payment outcome letter.

For more information on the class action, settlement payments and reviews, go to servicesaustralia.gov.au/classaction

People can phone **1800 171 846** to speak with a staff member. They should tell us if they need an interpreter and we will arrange one for free. This includes Aboriginal and Torres Strait Islander languages.

If they want advice on the Settlement Distribution Scheme, they can contact Gordon Legal at robdebtclassaction.com.au or phone **1300 001 356**.