MilitarySuper Maximum Benefit Limits (MBLs)

Background

The MilitarySuper Rules limit the total benefit (excluding your ancillary benefit) that you can accrue, and when you and Defence can make contributions. There are two MilitarySuper MBLs; the lump sum MBL and the pension MBL. The lump sum MBL is the lower of the MBLs, and once it's been reached, you may elect to cease paying member contributions. The pension MBL is the higher of the MBLs. If you reach your pension MBL, you won't be allowed to pay member contributions. If your member contributions cease, so will your productivity contributions paid by Defence. This factsheet explains what happens once you've reached your MBLs.

This factsheet is for...

Contributing MilitarySuper members who are nearing or have reached either their lump sum MBL or pension MBL. You can use the information provided in this factsheet, along with your annual statement and our i-Estimator tool in Member Services Online (MSO), to estimate how close you are to your MBLs.

Before you read this factsheet...

Any financial product advice provided in this factsheet is general advice only and has been prepared without taking account of your personal objectives, financial situation or needs. Before acting on any such general advice, you should consider the appropriateness of the advice, having regard to your own objectives, financial situation and needs. You may wish to consult a licensed financial adviser.

You should obtain a copy of the **MilitarySuper Product Disclosure Statement (PDS)** and consider its contents before making any decision regarding your super.

What is in this factsheet?

- How are my MBLs calculated?
- How will I know if I'm going to reach my MBLs?
- What happens if I reach my MBL?
- How does ceasing contributions affect my benefit?
- Can I make contributions somewhere else?
- What about the Superannuation Guarantee?
- What if I have more than one period of service?
- Where can I get more information?

MBLs refer to the total amount of member and employer benefits that you can accrue. Your ancillary benefit is not counted towards your MBLs.

Associate benefits are not impacted by MBLs.

CSC — Military Super Military Superannuation & Benefits Scheme

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Commonwealth Superannuation Corporation (CSC) ABN: 48 882 817 243 AFSL: 238069 RSEL: L0001397 | Trustee of the Military Superannuation and Benefits Scheme (MilitarySuper) ABN: 50 925 523 120 RSE: R1000306

How are my MBLs calculated?

Both MBLs are determined by your Final Average Salary (FAS), which is your average super salary[1] over the last 1095 days (3 years). The MBLs are adjusted in line with Average Weekly Ordinary Time Earnings (AWOTE[2]) on 1 July each year. The length of time it takes you to reach your MBLs depends on increases in your super salary, and the rate at which you contribute to MilitarySuper.

The following table explains the different components of your MilitarySuper benefit, and which ones contribute to your MBL.

Benefit component	Description	Counted towards MBL?
Member and employer benefits		
Member contributions	5-10% of your super salary, paid by Defence from your after-tax pay.	Yes
Fund earnings[3]	Earnings derived from the investment of your member contributions. These depend on your nominated investment option.	Yes
Employer contributions	Made up of productivity contributions (3% of your super salary) paid by Defence plus fund earnings, and a notional amount. The total Employer Benefit is calculated by FAS × Employer Benefit Multiple (EBM).	Yes
Ancillary benefit		
Salary sacrifice contributions	Voluntary contributions paid from your pre-tax salary.	No
Additional personal contributions	Paid either by Defence or yourself, from your after-tax pay.	No
Spouse contributions[4]	Paid from your after-tax pay for your spouse.	No
Rollovers	Transfers of some or all of your existing super benefits from another fund.	No
Government contributions	Co-contributions, low income superannuation contributions and low income super tax offset.	No
Super Guarantee (SG) contributions	The minimum level of employer sponsored superannuation contributions. SG is payable on certain payments that don't form part of your super salary.	No
Fund earnings[5]	Earnings derived from the investment of your ancillary contributions. These depend on your nominated investment option.	No

Maximum Benefits Limits 2026-27

MBLs are expressed as a fixed amount, or a multiple of your FAS. The table below shows how both the lump sum and pension MBLs are calculated for the 2026-27 financial year.

Final average salar	Lump sum MBL	Pension MBL
Less than $98,040	$781,810	$977,160
$98,040 to $156,520	8 times FAS	10 times FAS
$156,521 to $290,340	$313,040 plus 6 times FAS	$469,560 plus 7 times FAS
Greater than $290,340	$1,184,060 plus 3 times FAS	$1,340,580 plus 4 times FAS

Your MBL amounts can also be represented by maximum benefit multiples. These are obtained by dividing your maximum benefit amounts by your FAS.

Example:

SGT Smith's FAS is $105,000. This means his lump sum MBL is $840,000 (8 × $105 000) and his pension MBL is $1,050,000 (10 × $105,000).

CMDR Williams' FAS is $165,000. This means her lump sum MBL is $1,303,040 ($313,040 + (6 × $165,000)) and her pension MBL is $1,624,560 ($469,560 + (7 × $165,000)).

How will I know if I'm going to reach my MBLs?

If you would like to estimate how long it will take to reach one of your MBLs, you can follow the steps below:

1. Once you have calculated your MBL using the table above, you can compare it to your projected member and employer benefits. Our i-Estimator tool within CSC navigator can show your estimated member and employer benefit amounts. You can also refer to your annual statement; however, the amounts shown will be effective as at 30 June only.
2. You can then compare your MBLs with your actual or projected member and employer benefit amounts to estimate how close you are. As an indication, the table below shows the annual Employer Benefit Multiple (EBM) accrual. You can multiply your average super salary by your EBM to estimate your Employer Benefit amount.

Years of service	EBM growth per year of service
Elistment to 7 years	0.18
7 years 1 day to 20 years	0.23
20+ years	0.28

1 Super salary is your annual rate of pay plus certain recognised allowances.
2 AWOTE is a measure of average earnings in Australia at a particular point in time, published twice a year by the Australian Bureau of Statistics.
3 Earnings on member contributions only.
4 Spouse contributions will be kept in a separate account to yours and the benefit will be payable to your spouse.
5 Earnings on ancillary contributions only.

3. Finally you should also consider your member benefit which consists of member contributions between 5% and 10% of your super salary, plus fund earnings.

Your employer benefit is calculated by multiplying your FAS and your EBM.

Your super salary is benefits for the period of service you are undertaking at that time.

Example:

SGT Smith's lump sum MBL is $840,000 and pension MBL is $1,050,000. He has obtained an estimate from i-Estimator and his current defined benefit is $820,000, made up of $230,000 member benefit and $590,000 employer benefit. He has completed 25 years of service, so his employer benefit will grow at the rate of 0.28 times FAS each year. He has nominated a member contribution rate of 5%, and these contributions (plus those already paid) will attract fund earnings. Assuming his FAS doesn't change from $105,000, he'll reach his lump sum MBL of $840,000 in less than a year.

Final Average Salary (FAS)	$105,000
Lump Sum MBL	$840,000
Pension MBL	$1,050,000
Member Benefit	$230,000
Employer Benefit	$590,000
Total Defined Benefit	$820,000
Annual Employer Benefit Growth*	$29,400
Annual Member Benefit Growth**	$5,250
Estimated Growth (one year)	$34,650
Estimated Defined Benefit (after one year)***	$854,650

* FAS x EBM growth = $105,000 × 0.28

** FAS x 5% contribution rate = $105,000 × 5%. Does not include fund earnings

***Including earnings

The MBLs relate to your member and employer benefits for the period of service you are undertaking at that time.

If you have had your benefit reduced as a result of a family law settlement, your MBLs still refer to your pre-split amounts. If you reach your pension MBL we'll provide you with more information about your post-split benefit amounts.

What happens if I reach my MBL?

We'll contact you when you reach one of your MBLs. You'll have different options, depending on which MBL you've reached.

Lump sum MBL

Once we've notified you that you've reached your lump sum MBL, you'll have two options; you can continue making member contributions to MilitarySuper, or elect to stop.

If you decide to continue, you may do so until you reach your pension MBL. You won't need to make a decision immediately, and you can elect to stop contributing at any time before reaching your pension MBL. If you no longer want to contribute to MilitarySuper, you should complete the form **Election to cease member contributions in respect of a lump sum maximum benefit limit**. If you elect to stop contributing, you won't be able to resume contributing for this, or any future periods of service. Your productivity contributions paid by Defence will also cease if you make this election. Although your member and productivity contributions can no longer be paid to MilitarySuper, ancillary contributions may still be received.

Before you make a decision about ceasing your contributions, we recommend you seek professional advice from a licensed financial planner. CSC's authorised financial planners provide a personalised service that takes your objectives, financial situation and needs into account. For more information about this service, or to book your first advice appointment, call **1300 277 777** or visit **csc.gov.au/advice**

Pension MBL

If you reach your pension MBL, you can no longer make member contributions. We'll notify Defence so they can cease your member contributions. Once your member contributions cease, you can't re-commence paying them, regardless of any future changes that may occur during your current period of service. Your employer contributions paid by Defence will also cease. Defence will however continue reporting your super salary to us.

How does ceasing contributions affect my benefit?

When you stop contributing to MilitarySuper (whether at lump sum or pension MBL), your EBM will no longer accrue. However, your employer benefit will continue to grow in another way. If you continue to serve, we'll use a formula to account for increases in both your FAS and the MilitarySuper MBLs payable until your transition. If you leave the Australian Defence Force (ADF) before retirement age, your benefit will be calculated at transition using this formula, and will then grow in line with fund earnings and the Consumer Price Index (CPI). Your benefit will remain preserved in MilitarySuper until you are eligible to claim. You'll still be entitled to receive your employer benefit as a lump sum or pension. For a detailed explanation of how your benefit grows after ceasing contributions, please see **Appendix A** at the end of this factsheet.

Can I make contributions somewhere else?

If you want to build your super in other ways, you can make certain contributions into your MilitarySuper ancillary benefit, or another fund of your choice. These contributions won't increase your member or employer benefits, but can be claimed as an additional lump sum.

Ancillary contributions are optional contributions in addition to those prescribed by the MilitarySuper Rules. Your ancillary benefit forms part of your overall MilitarySuper benefit, but is an additional accumulation component that can only be claimed as a lump sum. Ancillary contributions are invested and attract earnings depending on the investment option you have elected. They can only be claimed as a lump sum, not as a pension.

If you continue paying contributions after reaching your lump sum MBL, your benefit will continue to grow in line with your FAS, EBM and member contributions. Generally, members will reach their pension MBL a few years after reaching their lump sum MBL.

If you do cease making contributions, your employer benefit will continue to grow using a different formula to the usual employer benefit formula. It takes into account your FAS and MBL at the time you cease contributing, and your FAS and the MBL payable when you retire, transition or opt out of MilitarySuper.

Members who have reached their pension MBL are considered to be accruing members for taxation purposes. CSC is therefore required to report your Defined Benefit Contribution (DBC) amount to the Australian Taxation Office (ATO) every year, even though your contributions have ceased.

The amount reported is notional, and is counted towards your Concessional Contributions Cap limit. For more information about DBC please refer to our website, or the ATO website ato.gov.au

Ancillary contributions accepted by MilitarySuper include:

- Salary sacrifice contributions
- Additional personal (after tax) contributions
- Spouse contributions
- Rollovers
- Government contributions
- Superannuation Guarantee contributions.

More information about ancillary contributions is available on our website.

Alternatively, if you want to receive employer contributions after ceasing your member contributions, you can elect to join ADF Super or another fund of your choice. First you'll need to opt out of MilitarySuper, as you can't be a member of both schemes at the same time. You'll also need to complete Defence's **AE 689 Choosing a Superannuation Fund** form. Defence will pay 16.4% of your Ordinary Time Earnings (OTE) into your new fund. Your employer benefit can't be rolled out to another fund until you reach age 55 and are no longer a serving member. However, your benefit will continue to grow—your member benefit, ancillary benefit and productivity contributions grow in line with fund earnings, and your unfunded employer benefit grows in line with the Consumer Price Index (CPI).

Would you like to talk to someone about how your MBLs, years of service, and contributing more can affect your MilitarySuper benefit?

The Advice and Resources section of our website provides a range of opportunities to learn more, including the option to book a member consultation. You can use our online booking form to request a one-on-one consultation, on base, at a number of locations around the country.

What about the Superannuation Guarantee?

The Superannuation Guarantee (SG) ensures a minimum level of employer sponsored superannuation contributions for all Australian employees. Generally, Defence is not required to pay SG contributions on your behalf because your total employer benefit (notionally 18%, 23% or 28% of super salary per year, depending on years of service) over your entire period of service will usually exceed SG requirements. However, if your OTE exceeds your super salary, Defence will pay additional employer contributions to your MilitarySuper ancillary benefit on the difference between your OTE and super salary.

What if I have more than one period of service?

If you reached your lump sum MBL during a previous period of service, and continued paying member contributions, you still have the option to cease at any time. If you did elect to stop paying member contributions, you can't re-commence paying your contributions if you re-join MilitarySuper. However, a new pension MBL applies for each period of service. This means, if you re-join MilitarySuper, having previously reached your pension MBL, you'll be able to contribute again.

Where can I get more information?

Our office is located at 7 London Circuit, Canberra City. Come in and see us, or contact us at the below details for more information.

Call **1300 006 727**
Overseas caller **+61 2 6192 9502**

Email **members.adf@contact.csc.gov.au**

Mail
MilitarySuper, GPO Box 2252, Canberra ACT 2601

Go to **csc.gov.au**

Appendix A

When you cease making contributions, whether voluntarily on reaching your lump sum MBL, or compulsorily on reaching your pension MBL, we use the following formulae to calculate your employer benefit.

At lump sum MBL $$EB = \left(LSMBMR \times \left(\frac{TB}{FASC} \div LSMBMC\right) \times FASR\right) - MB$$

At pension MBL $$EB = \left(PMBMR \times \left(\frac{TB}{FASC} \div PMBMC\right) \times FASR\right) - MB$$

These can be re-written as:

At lump sum MBL $$EB = TB \left(\frac{LSMBMR}{LSMBMC}\right)\left(\frac{FASR}{FASC}\right) - MB$$

At lump sum MBL $$EB = TB \left(\frac{PMBMR}{PMBMC}\right)\left(\frac{FASR}{FASC}\right) - MB$$

TB	the sum of your member benefit and employer benefit at the time your contributions cease.
LSMBMC	your lump sum maximum benefit multiple at the time your contributions cease (lump sum MBL ÷ FASC).
LSMBMR	your lump sum maximum benefit multiple at the time you retire, transition or opt out of MilitarySuper (lump sum MBL ÷ FASR).
PMBMC	your pension maximum benefit multiple at the time your contributions cease (pension MBL ÷ FASC).
PMBMR	your lump sum maximum benefit multiple at the time you retire, tryour pension maximum benefit multiple at the time you retire, transition or opt out of MilitarySuper (pension MBL ÷ FASR).
FASC	your Final Average Salary (FAS) at the time your contributions cease. Your average super salary over the previous 1095 days (3 years).
FASR	your Final Average Salary (FAS) at the time you retire, transition or opt out of Military-Super. Your average super salary over the previous 1095 days (3 years).
MB	your member benefit amount at the time your contributions cease.

Example 1 Member ceases contributions on reaching lump sum MBL then later transitions

On 7 January 2015, CPL Johnson was notified that he had reached his lump sum MBL. He elected to cease his member contributions immediately. At the time CPL Johnson elected to cease his contributions, his FAS was $80,000, his member benefit was $190,000 and his employer benefit was $452,000. The lump sum MBL applicable to his FAS was $640,000 or 8 times $80,000.

Five years after ceasing his contributions, CPL Johnson transitioned out of the ADF to take up civilian employment. His FAS had increased to $90,000 and the lump sum MBL applicable at the time was $720,000 or 8 times $90,000.

TB = ($190,000 + $452,000) = $642,000

LSMBMC= ($640,000 ÷ 80,000) = 8.0

LSMBMR = ($720,000 ÷ $90,000) = 8.0

FASC = $80,000

FASR = $90,000

MB = $190,000

Using the formula above, CPL Johnson's employer benefit is calculated as:

$$EB = \$642{,}000 \left(\frac{8.0}{8.0}\right)\left(\frac{\$90{,}000}{\$80{,}000}\right) - \$190{,}000$$

$$EB = \$642{,}000 \times 1.0 \times 1.125 - \$190{,}000$$

$$EB = \$532{,}250$$

Even though the calculation uses CPL Johnson's member benefit value as at 2015, by 2019 his member benefit had grown to $205,000. It will continue to grow with fund earnings until he claims his retirement benefit. At the same time, his employer benefit will grow in line with CPI.

Example 2 Member reaches their pension MBL then later retires

On 12 November 2014, LCDR Jones was notified that she had reached her pension MBL and her contributions would cease. At the time LCDR Jones reached her pension MBL, her FAS was $120,000, her member benefit was $280,000, and her employer benefit was $890,000. The pension MBL applicable to her FAS was $1 168,860 or 9.7405 expressed as a multiple ($1,168,860 ÷ $120,000).

On 20 December 2019 LCDR Jones retired from the ADF. Her FAS had increased to $130,000 and the pension MBL applicable at the time was $1,277,500 ($367,500 plus 7 times $130 000) or 9.82692 expressed as a multiple ($1,277,500 ÷ $130,000).

TB = ($280,000 + $890,000) = $1,170,000

PMBMC = ($1,168,860 ÷ $120,000) = 9.7405

PMBMR = ($1,277,500 ÷ $130,000) = 9.82692

FASC = $120,000

FASR = $130,000

MB = $280,000

Using the formula above, LCDR Jones' employer benefit is calculated as:

$$\text{EB} = \$1{,}170{,}000 \left(\frac{9.82692}{9.7405}\right)\left(\frac{\$130{,}000}{\$120{,}000}\right) - \$280{,}000$$

EB = $1,170,000 × 1.00887 × 1.08333 – $280,000

EB = $998,739

LCDR Jones claimed her employer benefit, along with her member benefit, which had grown to $300,000.

Example 3 Member's FAS increases to a new MBL tier

On 16 March 2018 MAJ Lee was notified that he had reached his pension MBL and his contributions would cease. At the time, MAJ Lee reached his pension MBL, his FAS was $115,000, his member benefit was $280,000 and his employer benefit was $872,000. The pension MBL applicable to his FAS was $1,150,000 or 10 expressed as a multiple ($1,150,000 ÷ $115,000).

MAJ Lee was promoted to LTCOL with effect 3 January 2019. When he retired on 1 November 2019 his FAS had increased to $123,000. This meant the MBL applicable to him at retirement was calculated from the third tier of the MBL table ($367,500 plus 7 times FAS).

The pension MBL applicable to LTCOL Lee FAS on this date was $1,228,500 ($367,500 + 7 x $123,000) or 9.9878 expressed as a multiple ($1,228,500 ÷ $123,000).

TB = ($280,000 + $872,000) = $1,152,000

PMBMC = ($1,150 000 ÷ $115,000) = 10

PMBMR = ($1,228,500 ÷ $123,000) = 9.9878

FASC = $115,000

FASR = $123,000

MB = $280,000

$$\text{EB} = \$1{,}152{,}000 \times \left(\frac{9.9878}{10}\right)\left(\frac{\$123{,}000}{\$115{,}000}\right) - \$280{,}000$$

EB= $1,152,000 × 0.99878 × 1.06957 – $280,000

EB= $950,641

MAJ Lee claimed both his employer benefit and his member benefit. His member benefit had grown to $300,000.

The figures in these examples have been rounded for illustrative purposes. Please note that your benefit calculation will not be rounded.

For more information visit csc.gov.au

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