



Foreign Service

Who is a foreign service member?

Under the MilitarySuper scheme rules, a **foreign service member** is a person who:

- before they became a member of MilitarySuper, had been a member of the armed forces of a country other than Australia;
- and
- had served with those forces for a period of service equivalent to continuous full-time service in the Australian Defence Force (ADF) for a period of at least 12 months;
- and
- Commonwealth Superannuation Corporation, trustee of MilitarySuper, has directed that the full-time service or part of that service is to be included as aggregate service for the purpose of determining benefits under the MilitarySuper scheme rules.

Foreign Service cannot be recognised for members who have transferred from the Defence Force Retirement and Death Benefits (DFRDB) Scheme to MilitarySuper or have previously been a member of the DFRDB Scheme.

How does foreign service affect my employer benefit accrual?

Foreign service that is included as aggregated service for employer benefit purposes has the effect of making a member eligible for a higher employer benefit percentage sooner than would be the case otherwise.

Example:

Employer benefit growth table.

Years of service	% of FAS per year of service
Less than 7 years	18%
7 years to 20 years	23%
20 years 1 day onwards	28%



Military
Superannuation &
Benefits Scheme

Lieutenant Richards is leaving the RAN after serving 17 years and has a Final Average Salary (FAS) of \$85,000. Before Lieutenant Richards joined the RAN he served 12 years in a foreign Navy.

Lieutenant Richard's employer benefit if his foreign service is **not recognised**:

7 years @ 18%	=	1.26 times FAS
10 years @ 23%	=	2.30 times FAS
Total	=	3.56 times FAS
Employer benefit	=	3.56 x \$85 000
	=	\$302 600

As Lieutenant Richard had already completed 12 years of service with a foreign defence force, if this prior period of service is recognised, he commences his benefit accrual at 23%.

The calculation set out below demonstrates Lieutenant Richard's employer benefit after having his foreign service recognised:

8 years @ 23%	=	1.84 times FAS
9 years @ 28%	=	2.52 times FAS
Total	=	4.36 times FAS
Employer benefit	=	4.36 x \$85 000
	=	\$370 600

Please note: MilitarySuper does not contain any provision to enable a member to transfer or to purchase periods of effective service with either the Defence Force of another country or the ADF. There is also no provision which allows for a pension entitlement arising from service in the Defence Force of another country to be transferred to MilitarySuper.

What's the procedure?

To have your foreign service recognised by Commonwealth Superannuation Corporation you must:

- Write to MilitarySuper asking to have your Foreign Service recognised;
- and
- Supply a certificate of service on official letterhead, stating the dates commenced and ceased, and confirming full-time service.

How can I get more information?



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