



Productivity

Introduction

Did you know that in addition to your DFRDB benefit entitlement, your Defence Force service entitles you to a Productivity Benefit? You can claim your Productivity Benefit when your Defence Force service ends.

Since 1 January 1988 members of the Defence Force have been entitled to a fortnightly Productivity Contribution which is paid on their behalf by the Department of Defence to the Commonwealth Consolidated Revenue Fund.

What is a Productivity Benefit?

Your Productivity Benefit is the sum of the following:

- notional Productivity Contributions
- interest on these contributions.

What is the Superannuation Guarantee (SG) top-up?

The Government has legislated that employers must provide employees with a minimum level of employer-funded superannuation benefits. For the latest SG rate visit ato.gov.au.

Members who discharge with less than 20 years of service (and are not entitled to retirement pay) will receive the productivity benefit of 3% as well as the SG top-up bringing them in line with legislative requirements.

In what form is your Productivity Benefit payable?

Your Productivity Benefit is payable as a lump sum only. There is no pension option.

When can I access my Benefit?

The most common situation is at the end of your Defence Force service.

Other less common situations are:

- if you retire from the workforce on or after preservation age
- if you reach age 60 and change employer
- in the event of your death
- on the grounds of permanent incapacity or permanent invalidity
- if the Commonwealth Superannuation Corporation determines that you are in severe financial hardship.

Your benefit options depend on whether you have reached preservation age (see the table overleaf).

Where does the Productivity Benefit come from?

The Productivity Benefit which is paid from the Commonwealth Consolidated Revenue Fund (CRF). There is no separate superannuation account. The amount of Productivity Benefit you are entitled to is determined when you discharge from the Defence Force.

How much Productivity Contribution is paid each fortnight?

The Productivity Contribution is generally paid at the rate of 3% of your DFRDB salary.



Defence Force
Retirement & Death
Benefits Scheme

Under preservation age

If you are under preservation age, your benefit must be transferred (rolled over) to another superannuation fund, an approved deposit fund, or a deferred annuity.

On or after preservation age

If you have reached preservation age and you have retired from the workforce, your productivity benefit may be paid.

If you haven't retired from the workforce, then the benefit must be transferred (rolled over) to another superannuation fund, an approved deposit fund, or a deferred annuity.

Did you know?

Details of the accrued value of your Productivity Benefit are set out each year on your DFRDB Annual Member Statement.

Preservation ages

Your preservation age is determined by your date of birth as shown below:

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960—30 June 1961	56
1 July 1961—30 June 1962	57
1 July 1962—30 June 1963	58
1 July 1963—30 June 1964	59
After 30 June 1964	60

How do you apply for payment?

All of the DFRDB benefit application forms contain a section which allows you to indicate how the Productivity Benefit is to be paid. The form can be found on the CSC website at csc.gov.au.

Returning to service prior to 1 July 2016

If you return to the ADF prior to 1 July 2016 for less than 12 months, and made an election to contribute to DFRDB using the Election for former DFRDB members resuming ADF full-time service (D100) form, you can continue to receive your retirement pay and you accrue a Productivity Benefit paid by Defence during this period of service. As you will not be contributing to DFRDB, you will not have any invalidity cover. But you will have death cover because you will continue to receive your pension.

If your Productivity Benefit is not claimed within two months after your service ends, we will rollover the benefit to AMP Eligible Rollover Fund. You will then have to contact AMP Eligible Rollover Fund to access your benefit.

To claim your Productivity Benefit at the end of your service, you must complete the Application for DFRDB Productivity Benefit (including Military Super Ancillary benefit) (D10) form, available from csc.gov.au.

Returning to service after 1 July 2016

If you return to service in the ADF after 1 July 2016, you will automatically join ADF Super. For further information about ADF Super visit csc.gov.au.

What is the legislative basis for the Productivity Benefit?

The Productivity Benefit is a separate entitlement to your DFRDB entitlements.

The legislative basis for the Productivity Benefit is the Defence Force (Superannuation) (Productivity Benefit) Determination 1988 made under subsection 52 (1) of the *Defence Act 1903*.

The Productivity Benefit Determination is available from the legislation website at legislation.gov.au.

How can I get more information?

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