



Re-joining the Australian Defence Force

Background

Depending on your circumstances, if you re-join the Australian Defence Force (ADF), you may be eligible, or required, to join MilitarySuper or ADF Super. Alternatively, you may be eligible to nominate a super fund of your choice. This factsheet provides some basic information on important aspects of MilitarySuper and ADF Super. It's not a comprehensive overview and further information relevant to your specific membership can be provided on request.

This factsheet is for...

Former members of DFRDB or MilitarySuper who have transitioned out of the ADF, and have returned, or are considering returning:

- to permanent service or
- as a reservist rendering continuous full-time service.

What's in this factsheet?

- Which scheme can I join?
- MilitarySuper Membership
- ADF Super Membership
- Choosing another fund
- Where can I get more information?

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

Will I get a new membership number?

All new memberships are based on your PMKeys number. If you re-join the ADF and your previous membership was based on your PMKeys number, we'll use that again for any future periods of service. If your previous membership was based on your service number, you'll get a new record, based on your PMKeys number.



Which scheme can I join?

Your eligibility for MilitarySuper or ADF Super will depend on the scheme you were in when you last transitioned, and the status of your benefit from that scheme.

Table 1: Former MilitarySuper members

Your circumstances	Eligibility (generally)
You have a preserved MilitarySuper employer benefit	You must re-join MilitarySuper unless you elect to opt out. ¹
You took a lump sum or pension from your employer benefit and only have a preserved member benefit or ancillary benefit in MilitarySuper	You won't be eligible to return to MilitarySuper, and you'll default to ADF Super unless stapling rules apply or you elect to join another fund of your choice.
You were retired on invalidity grounds and receiving an invalidity pension when you rejoin the ADF ²	You can choose to join ADF Super or another fund of your choice. If you don't choose a fund you'll default to ADF Super, unless stapling rules apply.

¹If you choose to join ADF Super or another fund, you won't be able to return to MilitarySuper. We'll hold your MilitarySuper employer benefit until you transition out of the ADF and meet a condition of release, such as your preservation age (see below). Alternatively you can ask us to pay your member and / or ancillary benefit to another super fund.

²Your pension will continue to be paid, unless your level of incapacity for civilian employment is reviewed and your invalidity classification changes.

Former DFRDB members

If you're a DFRDB recipient member (in receipt of retirement pay or an invalidity pension), and re-join the ADF, you'll continue to receive your pension. Unless you elect a fund of your choice, you'll join ADF Super. The same applies if you have a deferred (preserved) DFRDB benefit. You'll have access to ADF Cover until age 60.

If you also have a MilitarySuper benefit, you should refer to the 'Former MilitarySuper members' section above.

MilitarySuper Membership

MilitarySuper provides a retirement benefit made up of a defined component (your employer benefit) and an accumulation component (your member benefit and ancillary benefit). The scheme offers invalidity benefits if you transition on medical grounds, death benefits to your dependents, and the ability to make additional voluntary contributions. MilitarySuper is now closed to new members, but you may be eligible to re-join, depending on your circumstances (see above).

Member benefit

MilitarySuper members are generally required to make contributions at a whole percentage between 5% and 10% of your gross fortnightly super salary. We call these your 'member contributions'. However, there is a limit to how much you can contribute. Once you reach your maximum benefit limit (MBL), you can't make any more member contributions – see our **MilitarySuper maximum benefit limits** factsheet for details.

Your super salary is your gross annual rate of pay for your rank, increment level and pay group. It includes the annual rate of any recognised allowances that are payable to you, such as service allowance. Although we calculate your member contributions using your super salary, they are paid from your post-tax salary. Member contributions will grow in line with investment performance (see 'Investment' below). If you're no longer contributing to MilitarySuper, you can rollover your member benefit – made up of member contributions and investment earnings – at any time. You can generally claim your member benefit as a lump sum once you reach your preservation age. Preservation age is based on your date of birth, as shown in **Table 2** below

Table 2 – Preservation age

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

If you made member contributions prior to 1 July 1999, they can be claimed before you reach your preservation age, as long as you're no longer serving in the ADF.

Productivity contributions

Defence will usually pay 3% of your gross fortnightly super salary as productivity contributions, until you reach your pension MBL, unless you elect to stop contributing earlier. These contributions form part of your employer benefit (see below). Your productivity contributions attract 15% contributions tax and will grow in line with the default investment option. See "Investment" below for more information. Along with the earnings, your productivity contributions make up the funded part of your overall employer benefit.

Employer benefit

Your employer benefit is a notional amount, determined by your final average salary (FAS) multiplied by your employer benefit multiple (EBM) – **Table 3** below summarises EBM accrual. The benefit includes your accumulated productivity contributions, and the balance is paid from consolidated revenue.

Table 3 – Employer Benefit Multiple (EBM) Accrual

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

While you're contributing to MilitarySuper, your EBM grows with your total years of service. For example, if you completed 10 years of service before transitioning, when you re-join your EBM will grow at 23% per year.

Ancillary benefit

Your ancillary benefit allows you to grow your super by making voluntary contributions such as:

- salary sacrifice
- additional personal contributions
- spouse contributions.

This benefit can also accept transfers from other super funds and Government contributions such as co-contributions and Low Income Super Tax Offsets (LISTO), as well as Superannuation Guarantee (SG) contributions. Any untaxed portion will be taxed at 15% when we receive it.

Your ancillary benefit is separate to your member and employer benefits and can only be claimed as a lump sum. Ancillary contributions are invested and grow with investment earnings (see below). More information about your MilitarySuper ancillary benefit can be found in the **MilitarySuper ancillary benefit** factsheet, available at csc.gov.au/factsheets.

Investment

Your benefit is valued in units. When contributions are paid into MilitarySuper, the money 'buys' a number of units and the value of each unit is known as the unit price. The value of your investment can change, depending on investment performance. The costs associated with the purchase or sale of units are reflected in the unit price for each investment option.

There are four investment options you can choose from. You can invest your current balance and future contributions (excluding your employer benefit) in one or more of these:

- Cash
- Income Focused
- Balanced (this is the default option, if you don't make a choice)
- Aggressive

Each investment option has a different unit price that can change daily. When you claim your MilitarySuper benefit, you'll effectively 'sell' your units at the applicable daily unit price.

You can switch investment options as often as you like, at no cost. You can do this by logging into your MilitarySuper Member Services Online (MSO) account, or by submitting your completed **Member Investment Choice (MIC1)** form, available on our website. We'll write to you and confirm that we've processed your investment switch.

Note: Your request to switch investment options must be received by 1500 (3.00 pm) Canberra time to receive the unit price declared for that day. Unit prices for a given day are usually published on the next business day. The unit prices shown in MSO and on our website are not the rates that you will receive.

For more information about investment options including asset allocation and risk, unit prices and switching, please read our **MilitarySuper Investment options and risk** PDS, available on our website.

While you're contributing to MilitarySuper again, you'll receive two annual statements until your second period of service ends. This is because your employer benefit grows differently when it's preserved. While you're contributing, your employer benefit grows via your EBM. When your benefit is preserved, your productivity contributions will continue to grow according to investment earnings (see 'Investment' below), while the notional employer benefit will grow in line with upwards movements in the Consumer Price Index (CPI). If you transition again, your two benefits will be combined into a single MilitarySuper benefit.

Maximum Benefit Limits

There are two MilitarySuper MBLs; the lump sum MBL and the pension MBL. If you reached a MBL during a previous period of MilitarySuper membership, you may be eligible to contribute to the scheme again.

If you reached your lump sum MBL and continued paying member contributions, you can contribute again, and still have the option to cease at any time. If you reached your lump sum MBL and elected to stop paying member contributions, you can't re-commence paying your contributions upon re-joining MilitarySuper.

The pension MBL only relates to the current period of service you are undertaking. A new pension MBL applies for each period of service, even if you previously attained your pension MBL.

For more information about MBL's, please read our **MilitarySuper Maximum Benefit Limits** (MBLs) factsheet.

Investment returns may be positive or negative, so the value of your benefit may rise and fall. It is therefore possible that your benefit might be less than the amount you contributed, particularly over a shorter term.

Invalidity and death benefits

You may be eligible to receive invalidity benefits if you're retired from the ADF on invalidity grounds. You'll be assessed, and if eligible, classified according to your level of incapacity for civilian employment.

Your benefit entitlement will be determined by your classification. The death benefit payable to your dependants in the case of your passing will depend on whether your death occurs in service, as a pensioner, or while a preserved member. For more information about death benefits, the invalidity classification process, and invalidity benefit entitlements, please see the various factsheets available on our website at csc.gov.au/factsheets

ADF Super Membership

ADF Super is the default scheme for all new and returning permanent members of the ADF if stapling doesn't apply. All reserve members will also be eligible to join ADF Super (or nominate a fund of their choice) if they render continuous full-time service, unless they have a preserved MilitarySuper employer benefit. ADF Super is an accumulation scheme so the final benefit consists of member, employer and government contributions, plus investment earnings. Death and invalidity cover is provided to eligible members through ADF Cover (see 'Death and invalidity cover' below).

ADF Cover is available to all serving members (up to age 60) who aren't covered by DFRDB or MilitarySuper, including those who were eligible for ADF Super and elected a fund of their choice.

Looking ahead

If you've served for at least 12 consecutive months, you'll be eligible to continue making contributions into your ADF Super account after you transition. If you start new employment, your new employer can also pay into ADF Super on your behalf. ADF Cover won't cover you after you transition but you'll have access to insurance designed specifically for ex-serving personnel. Our lifePLUS Protect cover includes Total and Permanent Disability (TPD), death and optional income protection cover. For more information about ADF Super after transitioning, visit csc.gov.au/Members/Superannuation/Changes-in-circumstances/Discharge/

Employer contributions

Defence will pay employer contributions of 16.4% of your Ordinary Time Earnings (OTE). OTE generally includes many allowances, but excludes payments such as overtime, reimbursements or parental leave. For an explanation of what is included in OTE, please visit the Australian Taxation Office (ATO) website. Your employer contributions will attract 15% contributions tax on receipt into ADF Super.

Voluntary contributions

ADF Super members aren't required to make their own contributions. However you can choose to make voluntary contributions such as **salary sacrifice** or **personal after-tax contributions**. You'll need to contact Defence to arrange salary sacrifice contributions, or you can make post-tax contributions directly to ADF Super by:

- completing our form **PSSap/ADFS19 Voluntary contributions**, and sending a cheque
- logging into **Member Services Online (MSO)** and generating a BPAY reference number
- contacting Defence to arrange deductions from your fortnightly pay.

Your pre-tax contributions will be taxed at 15% on receipt into the fund, but you won't pay tax on post-tax contributions.

Other contributions

You may wish to consolidate your super savings by rolling in super from another fund. If your spouse is also an ADF Super member, you can make spouse contributions on their behalf. Alternatively, your spouse can make contributions for you.

Your ADF Super account can also accept Government contributions such as co-contributions and LISTO, as well as SG contributions. For more information about maximising your ADF Super benefit, please visit our website.

Investment

Your benefit is valued in units. When contributions are paid into ADF Super, the money ‘buys’ a number of units and the value of each unit is known as the unit price. The value of your benefit can change, depending on investment performance. The costs associated with the purchase or sale of investments are reflected in the unit price for each investment option.

There are four investment options you can choose from. You can invest your current balance and future contributions in one or more of the following options:

- Cash
- Income Focused
- MySuper Balanced (this is the default option, if you don’t make a choice)
- Aggressive

Each investment option has a different unit price that can change daily. When you claim your ADF Super benefit, you’ll effectively ‘sell’ your units at the applicable daily unit price.

You can switch investment options as often as you like, but only your first switch within 30 days of joining and two switches per financial year are free of charge. Any additional switches will incur a **\$20 fee**. You can make a switch by logging into your ADF Super Member Services Online (MSO) account, or by submitting your completed **Investment Choice (ADFSF1)** form, available at csc.gov.au/forms. We’ll write to you and confirm that we’ve processed your investment switch.

Note: Your request to switch investment options must be received by 1400 (2.00pm) Canberra time to receive the unit price declared for that day. Unit prices for a given day are usually published on the next business day. The unit prices shown in MSO and on our website are not the rates that you will receive.


For more information about investment options including asset allocation and risk, unit prices and switching, please read our **ADF Super Investment options and risk PDS**, available on our website.

ADF Super benefit

To access your ADF Super benefit, you’ll need to be permanently retired on or after your preservation age, cease a period of gainful employment after age 60, or reach age 65 (even if you’re still working). Your preservation age is determined by your date of birth, according to **Table 2** (above). Your final benefit, valued in units, will consist of employer contributions, any voluntary contributions, government contributions and fund earnings. The value of your benefit will be based on the applicable daily unit price on the date we process your application.

When you transition out the ADF, you’ll have four options:

- Take it with you – if you’ve served for at least 12 consecutive months, you can continue contributing to ADF Super. You can even have your new employer make contributions on your behalf. You’ll need to complete a **Superannuation (super) standard choice form**, available on our website or from the ATO.
- Preserve – if you haven’t yet reached your preservation age, you can leave your balance with ADF Super, where it will be subject to investment returns.
- Rollover – you can transfer your balance to another eligible super fund. You can arrange this by contacting your new fund, or by logging into your myGov account and using the ATO online service portal (you’ll need to make sure the ATO is linked to your account).
- Withdraw – if you’re permanently retired and have reached your preservation age, you can claim your benefit as a lump sum. You can also claim your benefit if you cease working after age 60, or reach age 65 (even if you’re still working).



ADF Super is an accumulation fund which means your super accumulates with investment earnings to form your retirement benefit

Death and invalidity cover

In addition to your accumulation benefit, as an ADF Super member you’ll also have access to death and invalidity cover. You’ll automatically be protected by ADF Cover if you’re:

- a member of the permanent forces or a continuous full-time reservist;
- under 60 years of age; and
- either a member of ADF Super, or would have been, but instead chose to have your employer contributions paid to a fund of your choice.

Certain exclusions and exceptions apply to ADF Cover. We’ll determine your eligibility based on evidence provided and individual circumstances. Generally, exclusions include:

- incapacity due to a pre-existing condition within the first two years of service
- incapacity due to an intentional act committed with the purpose of obtaining the benefit (unless we determine that the exclusion shouldn’t apply)
- incapacity caused by, or substantially contributed to by an event that occurred after more than 21 days of absence without leave (AWOL) for which salary has been forfeited (and not later repaid).

For more information about ADF Cover, please visit csc.gov.au/adfcover.

ADF Cover won't cover you after you transition out of the ADF. The day after you leave the ADF, if you keep your ADF Super account, you'll get **lifePLUS Protect auto**, our default cover, that gives you Death and Total and Permanent Disability (TPD) insurance through your super if you meet the eligibility criteria.

Note that if you're:

- under 25 and/or your account balance is less than \$6,000, you'll need to opt-in within 60 days of leaving the ADF to get lifePLUS Protect auto insurance cover.
- 25 or over, your account balance is \$6,000 or more and you meet all eligibility requirements you'll be covered automatically.

In both cases, you can change your insurance to **lifePLUS Protect choice** if that suits you better. Our lifePLUS Protect choice cover lets you apply for Income Protection cover as well, and you can pick the amount of Death and TPD cover that best fits your civilian life.

You can apply for lifePLUS Protect cover at any time if you stay with ADF Super after leaving the Defence Force. You can also cancel your insurance at any time.

More information is available in the *Insurance and your ADF Super booklet*, which is available at csc.gov.au

Choosing another fund

If you're eligible to join ADF Super, you're also eligible to have your employer contributions paid to another super fund of your choice instead. To nominate a fund, you'll need to submit form **AE689 – Choosing a Superannuation Fund – ADF (Standard Choice)**, available from defence.gov.au/payandconditions/

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.



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