

Resuming ADF full-time service



Australian Government
Defence Force Retirement &
Death Benefits Scheme

DFo9B - August 2009

This is the second of two DFRDB Scheme fact sheets dealing with resuming ADF full-time service:

1. **Fact Sheet DFo9-A:** Former DFRDB contributors who received a refund of contributions.
2. **Fact Sheet DFo9-B:** DFRDB recipients of retirement pension or people with deferred benefits returning to the ADF.

The DFRDB Scheme has been closed since 1991 when MilitarySuper began.

You will automatically join the MilitarySuper scheme unless you elect not to before you return to full-time service.

What does 'resuming ADF full-time service' mean?

'Resuming ADF full-time service' means a person's first day of service in the ADF. It includes the following situations:

- returning to the ADF in the Permanent Forces or Reserves
- changing over from the Inactive Reserves to the Permanent Forces
- completing a period of ADF service, having a break, then starting another period of ADF service
- completing continuous full-time service (CFTS) of less than 12 months in the Reserves and, without a break, changing to the Permanent Forces or starting another period of CFTS of 12 months or more in the Reserves.

Who is a re-entered recipient?

If you are receiving DFRDB retirement pension, and resume full-time service in the ADF, you are a re-entered recipient.

If you are receiving DFRDB retirement pay, and are considering resuming full-time service in the ADF, you must make a DFRDB Scheme or MilitarySuper election before your first day of service.

You must also make another election if you complete your period of ADF service, have a break, then start another period of ADF service.

IMPORTANT: REMEMBER THE BASIC RULES.

1. Elect before you start your ADF service: Every time you come back into the ADF in the Permanent Forces or on continuous full-time service (CFTS) in the Reserves, you must make a scheme election before you start your ADF service.

2. Elect every time you have a break in your ADF service: Every time you have a break in service in the ADF, you must make another scheme election before you start your next period of ADF service.

Note – Elect again without a break in service: If you complete CFTS of less than 12 months in the Reserves then, without a break in service, you change to the Permanent Forces or CFTS of 12 months or more in the Reserves, you must elect again before the start of the continued service.

3. Elect on the D100 Form: Make your election on the D100 form, available from the DFRDB website: www.dfrdb.gov.au

4. If you don't make an election, you automatically join MilitarySuper: If you don't make an election before the start of your engagement, you will become a member of MilitarySuper.

5. Once you're in MilitarySuper, you can never go back to the DFRDB Scheme: Membership of MilitarySuper is **FINAL AND IRREVERSIBLE** for your engagement and all future full-time ADF engagements.

6. Once you're in MilitarySuper, you don't make any more scheme elections: You will always return to MilitarySuper each time you re-enter the ADF.

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How do I make my election?

You must make your election on the D100 form. There are two separate forms for people who are returning to the ADF:

- the **D100 form** is for people who have been in the **DFRDB Scheme** and are returning to the ADF. This form is available from the DFRDB website: www.dfrdb.gov.au
- the **M100 form** is for people who have been in **MilitarySuper** and are returning to the ADF; or a person with a deferred benefit in the DFRDB Scheme who is returning to the Reserves for less than 12 months. This form is available from the MilitarySuper website: www.militarysuper.gov.au

It is your responsibility to send your completed D100 form to DFRDB/MilitarySuper before you go back into the ADF.

The D100 form can be:

Posted to: PO Box 22, BELCONNEN ACT 2616
Faxed to: (02) 6272 9616

You must also send a copy of the D100 form to your Pay Unit before re-entry.

Doing both of these things will help to ensure your election is valid, avoid possible overpayments and safeguard your entitlement to future benefits.

Extensions or continuations of CFTS without a break

General Rule: Except for one situation, you don't have to make another election if you extend or continue your period of ADF service without a break.

Exception: You must make another election if you complete CFTS of less than 12 months in the Reserves, don't have a break in CFTS, and then **change to:**

- the **Permanent Forces**
- or
- **CFTS of 12 months or more in the Reserves**

Make your election on **Part D of the D100 form** **before** the start of the changed period of service.

What happens if I don't make an election before I resume service in the ADF?

If you don't make an election **before** you go back into the ADF (i.e. before your first day of service), you will automatically become a member of MilitarySuper by operation of the scheme legislation.



What happens if I join MilitarySuper?

If you join MilitarySuper:

- you contribute to MilitarySuper during your engagement, and you will accrue a MilitarySuper benefit (see the MilitarySuper website for more information: www.militarysuper.gov.au)
- you can never return to the DFRDB Scheme as a contributor for your next ADF engagement or any future ADF engagement
- your DFRDB Scheme **retirement pay** is suspended—payment will resume after your service ends, at a rate that takes into account CPI increases during your period of service. Arrears of retirement pay will not be payable
- your DFRDB Scheme **invalidity pay** is cancelled—payment will not resume after your service ends; however, if you have previously qualified for retirement pay from 20 years service in the DFRDB Scheme, you will be paid retirement pay instead after your service ends. You contribute to MilitarySuper during your engagement, and you will accrue a MilitarySuper benefit (see the MilitarySuper website for more information: www.militarysuper.gov.au)

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What happens if I don't join MilitarySuper?

The result of not joining MilitarySuper depends on the nature of your engagement. There are two possible situations:

Situation 1—Reserves on CFTS of less than 12 months

If you go back into the ADF in the Reserves on CFTS less than 12 months and don't join MilitarySuper:

- you will **continue to receive** your DFRDB Scheme retirement pay or invalidity pay during the period of your re-engagement
- you will **not contribute to the DFRDB Scheme** during your engagement
- **if you have a break in CFTS**, you will have to make **another scheme election** before the start of the next period of CFTS
- if you don't have a break in CFTS but **you change to:**

- **the Permanent Forces**

or

- **CFTS of 12 months or more in the Reserves**

you will have to make another scheme election before the first day of the changed period of service

- you will also accrue a productivity benefit during the period of your engagement.

Please complete a Form **D10** to claim your productivity benefit at the end of your service.

IMPORTANT: As you will not be contributing to the DFRDB Scheme, you will not have any invalidity cover.

But you will have death cover because you will continue to receive your pension.

- **Situation 2—Reserves on CFTS of 12 months or more, or Permanent Forces**

If you go back into the ADF in:

a) the Reserves on CFTS of 12 months or more

or

b) the Permanent Forces

and don't choose MilitarySuper:

- you will **contribute to the DFRDB Scheme** for your period of service (including any extension or continuation of that service without a break)
- your election will also apply to **future periods of service of the same nature** (i.e. in the Reserves for 12 months or more, or in the Permanent Forces), even after you have had a break in service.

Note: This situation has only limited application.

If you have a break in service and then return to the Reserves on CFTS of 12 months or more or return to the Permanent Forces, make sure that you make **another scheme election** on Part D of the D100 form **before** the start of your period of service.

- your DFRDB Scheme **retirement pay** will be **cancelled** during the period of your engagement
- at the end of your service, your retirement pay will be re-calculated based on total years of service (including your re-entry period) and:
 - your retirement pay will recommence
 - you may also be entitled to an additional DFRDB Scheme commutation lump sum on your exit
- if you are receiving DFRDB Scheme **invalidity pay**, it will also be **cancelled**—and it will not recommence after your service ends; however, if you had previously qualified for retirement pay by completing 20 years service, you will receive retirement pay instead.

Please complete a Form **D20** to claim your benefit at the end of your service.

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I currently have a DFRDB deferred benefit that I haven't claimed yet – what happens in that situation?

If this is your situation, please contact ComSuper before you re-enter the ADF.

If you need more information...

Phone: Customer Service Centre 1300 001 677

Fax: (02) 6272 9616

Website: www.dfrdb.gov.au

Email: members@dfrdb.gov.au

Post: PO Box 22
Belconnen ACT 2616

Visit Unit 4 Cameron Offices
Chandler Street Belconnen
ACT 2617

ABN: 39 798 362 763

SPIN: CMS012AU

You can also read:

- The DFRDB – About Your Scheme Book
- The MilitarySuper Book
- Product Disclosure Statement
- The DFRDB Scheme Resuming ADF full-time service fact sheets
- The MilitarySuper Rejoining the ADF fact sheet.

These publications are available on the DFRDB website, www.dfrdb.gov.au and the MilitarySuper website, www.militarysuper.gov.au.

Your Financial Advisor may also be able to assist.

Note: This document contains general advice or information only.

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