

Government (super) co-contributions



Australian Government
Defence Force Retirement &
Death Benefits Scheme

DF11—September 2008

What are Government (Super) co-contributions?

Government co-contributions (also called Super co-contributions) are an additional contribution from the Australian Government to assist eligible individuals to save for their retirement.

Am I eligible?

You will be eligible for the co-contribution if:

- you are a contributing member of the DFRDB scheme
- your gross annual income, made up of your assessable income plus reportable fringe benefits, is less than \$58,980 (indexed each year)
- you lodge an income tax return
- you are under age 71.

A Government co-contribution cannot be accepted if you are a former DFRDB member with a deferred benefit.

You do not need to apply for co-contributions. Each year after you have lodged your income tax return, the Australian Taxation Office (ATO) will advise you and ComSuper of your co-contribution amount if you are eligible.

How are co-contributions calculated

The ATO has produced a brochure explaining how co-contributions are calculated. The brochure, and a handy calculator, is available on the ATO website at www.ato.gov.au/super/

How are they invested?

As the DFRDB scheme does not have a fund, these contributions are paid to the Military Superannuation and Benefits (MSB) Fund and the benefit is paid out of the MSB Fund. You continue to be a DFRDB member and also become a beneficiary of the MilitarySuper scheme.

You have a choice of five investment strategies. You

can invest in one or a combination of these strategies. You can even have a different strategy for your existing contributions account and future contributions.

Initially, these contributions will be invested in the 'Default' strategy which is the Growth strategy.

You can switch to another strategy at any time, free of charge, using the Member Investment Choice form (MIC1). The Trustees may introduce a fee to switch investment strategies in the future but you will be notified in advance if this happens.

You should refer to the book titled 'Your guide to Investment Choice' before considering your investment choices. The guide and switch form are available on the MilitarySuper website at www.militarysuper.gov.au

You may also wish to consult a licensed professional, such as a financial planner, solicitor or accountant, to determine which options best suit your personal circumstances.

What do I get?

You will get another benefit in addition to your DFRDB benefit. This benefit is only payable as a lump sum, not as a pension.

The benefit comprises the co-contributions received on your behalf and MSB Fund investment returns.

Investment returns may be negative from time to time and as a consequence the value of the benefit will rise and fall. It is therefore possible that the benefit might be less than the amount received, particularly over a shorter term.

The benefit is not subject to tax when it becomes payable, it is treated as a non-concessional contribution.

When can I get the benefit?

Generally, the benefit cannot be paid until you permanently retire from the workforce after reaching your preservation age. This could be a considerable time after your DFRDB benefit is paid.

Customer Service Centre

1300 001677

FACT SHEET

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Your preservation age is based on your date of birth, as shown in the following table:

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 1964—30 June 1964	59
After 30 June 1964	60

All or part of the benefit may be paid to you earlier, provided you have left the Defence Force:

- if you become totally and permanently incapacitated
- on severe financial hardship grounds
- on compassionate grounds.

You can also claim the benefit if you cease or change employment after reaching age 60. The benefit must be paid out when you reach age 65.

In the event of your death, the benefit will be paid to:

- your dependants, or
- a dependent person(s) you nominated in writing and included in your will, or
- your estate.

Can I rollover the benefit?

You can rollover the benefit at any time, even before you leave the Defence Force. Note that access to the benefit from the rollover institution will be subject to the same preservation conditions as outlined above.

Co-contributions after discharge

ComSuper cannot accept co-contributions after your discharge. You will need to make arrangements with the ATO to have these contributions paid into another fund.

What else could I pay?

There is a range of voluntary contributions (collectively called 'ancillary contributions') you can now pay. Separate fact sheets are also available for:

- Additional Personal Contributions
- Salary Sacrifice Contributions
- Transfer Amounts
- Spouse Contributions

If you need more information...

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