

Additional personal contributions



Australian Government
Defence Force Retirement &
Death Benefits Scheme

DF12—December 2008

What are Additional Personal Contributions?

Additional personal contributions are contributions you can voluntarily make in addition to your regular fortnightly DFRDB contributions. There is no limit on how much or how often you can contribute but once paid, you can't get them back until the benefit becomes payable.

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.

Who is eligible to make Additional Personal Contributions?

To be able to make additional personal contributions you must be a current contributing DFRDB member. You cannot make additional personal contributions if you are a former DFRDB member with a deferred benefit.

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 contributions you paid 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 you contributed, particularly over a shorter term.

The benefit is subject to tax when it becomes payable, at the same concessional rates that apply to other superannuation benefits.

How do I pay them?

You can either:

- make arrangements with your Pay Unit to deduct them from your after-tax salary, or
- pay them direct to our administrator, ComSuper, by cheque or money order. Each contribution must be accompanied by an Additional Personal Contributions - Deposit Form (MACo1), available on the DFRDB website. Note that the first time you pay contributions by this method on or after 12 December 2008, you will be required to supply identification. Further details are available on the MACo1 form.

Contribution limits

There is a cap on the amount of personal contributions you can pay into your superannuation without incurring additional tax. The limit is across all your superannuation funds is:

- maximum \$150,000 per year; or
- maximum \$450,000 over 3 years for members under 65.

(For example, you are able to contribute the full amount of \$450,000 in one year but will not be able to contribute in the following two years).

Personal contributions (called non-concessional contributions) made over the limits will be taxed at the top marginal tax rate (plus Medicare levy).

How are they invested?

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, they 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

DFRDB Customer Service Centre
1300 001677

FACT SHEET

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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. 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.

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.

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

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.

What else could I pay?

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

Salary Sacrifice Contributions

Transfer Amounts

Spouse Contributions.

Where can I get the investment guide and forms

The investment guide and forms referred to in this fact sheet are available on the MilitarySuper website at www.militarysuper.gov.au

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

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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.

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FACT SHEET