



Australian Government

**Defence Force Retirement &
Death Benefits Scheme**

Resettlement Seminar

Discharge/Retirement

Summary and Checklist

Benefit Application Forms

(all forms are available from the DFRDB website at www.dfrdb.gov.au)

Form D20 – Retirement Pay and Commutation

- Retirement with entitlement to Retirement Pay – 20 years effective service (or at least 15 years if retiring age attained) or re-entered recipient
- Retrenchment with entitlement to Retirement Pay (20 or more years effective service)

Form D1 – Refund and Gratuity

- Voluntary discharge or retrenchment or dismissal with less than 20 years effective service (or less than 15 years if retiring age attained)
- No entitlement to retirement pay

Form D60 – Preserve Benefits – Voluntary Discharge

- Voluntary discharge – retrenchment – dismissal
- No entitlement to retirement pay

Form D40 – Invalidity Benefit

- Medical discharge

Election Period

- Commutation – 3 months before to 6 months after date of exit
- Preservation – 30 days before discharge to 21 days after

Normal Processing Time

- The lump sum payment is usually 8-10 working days after the later of the discharge date or receipt of the benefit application form
- Pension – allow 3 weeks
- Benefit applications are available from your pay unit or ComSuper's internet site

Benefit Payment

- Payment can only be made to an account in Australia
- The account must be in your name – it may be a joint account
- Retirement paydays are the alternate Thursdays to Defence paydays
- Deductions from retirement pay are limited to tax, Medicare, and child support
- The first retirement pay pension increase is pro-rata for the number of months you have been in receipt of retirement pay. You will receive an extra 1/6th of the next CPI increase if you retire on or before 14 February or on or before the 15th day of any other month
- DFRDB benefits are not means tested – there is no restriction on earning other income – unless you re-enter the ADF and become a re-entered recipient member (a summary of the provisions applicable to re-entered recipient members follows later)

Benefit Applications – Some Operational Problems which cause Delays in Payment

- Applications lodged earlier than 3 months before the discharge date
- No date of discharge shown
- Incorrect BSB and/or account numbers
- Change in discharge date not advised

- Use of an incorrect benefit application form
- Address not provided – the address field is either left blank or shown as “to be advised”
- Tax File Number Declaration not included with pension/retirement pay applications
- Benefit application delayed/mislaid in Pay Unit, Pay Office, Orderly Room or similar administration point or internal distribution system – if possible mail your application direct to ComSuper yourself
- Note that ComSuper does not acknowledge receipt of applications – if you wish to confirm receipt ring the enquiry service on 1300 001 677 about one week after mailing (this should allow sufficient time for receipt by ComSuper, scanning into the system and entry of the application details onto your computer record)
- If you are an officer retiring under your Notional Retiring Age and the reason for separation is completion of a Short Service Commission, without having accepted a further short service commission, please attach written confirmation to this effect from your service department. This will expedite processing of your application

Taxation

- A rollover fund must be nominated for the productivity amount (unless you are taking it in cash as you have reached preservation age and are retiring from the workforce)
- Rollover documentation is not required by ComSuper – the rollover cheque/s and ETP Rollover Statement will be sent to you to deposit
- Taxation eligible service period start date – if you joined the Defence Force prior to 1 July 1983 and you have a long service leave start date that is earlier than your DFRDB membership start date, you can claim the long service leave start date as your Taxation eligible service period start date (this will reduce the tax payable on your lump sum). If this applies to you, you should attach to your benefit application a

- copy of the Defence Force's acceptance of the long service leave period/s
- Pre July 1983 excess contributions if applicable – these apply if you paid more in superannuation contributions and life insurance premiums before 1 July 1983 than you could claim as a tax deduction – you can ascertain the excess contributions amount by ringing the Australian Taxation Office on 13 10 20 or writing to ATO, PO Box 2000, Moonee Ponds, VIC 3039. A pre July 1983 excess contributions amount can be claimed on your application and will reduce tax payable on your benefit
 - An ETP Rollover Statement/s and Payment Summary (Group Certificate) will be sent to you by ComSuper with the payment approval letter. These documents provide important details concerning your ETP for your rollover deposit and/or your next Tax Return.
 - THESE ARE IMPORTANT DOCUMENTS WHICH MUST BE RETAINED
 - IF YOU MISLAY THESE DOCUMENTS IT WILL DELAY DEPOSIT OF ANY AMOUNT BEING ROLLED OVER AND DELAY SUBMISSION OF YOUR NEXT TAX RETURN

Death Benefits

- Eligible Spouse
 - A person of the opposite sex, ordinarily living in a marital relationship with the member at the time of death
 - Marital relationship
 - Living as a person's husband or wife on a permanent and bona fide domestic basis for a continuous period of at least three years, or for less than three years where relevant evidence is satisfied, including that:
 - The couple were legally married, or
 - The person was wholly or substantially dependent on the other person, or
 - There is a child of the relationship which was adopted by the parents, or
 - There is joint ownership of a residential home

- If legally married but separated – eligibility exists provided the surviving legal spouse was wholly or substantially dependent on you at the time of death
- If a pensioner at the time of death – eligibility exists provided
 - The marital relationship began before becoming a pensioner, or
 - After becoming a pensioner but before age 60, or
 - The marital relationship has continued for at least 5 years

Death Benefits – Child Eligibility

- Eligible Child
 - A child of the deceased member including
 - An ex-nuptial child
 - A stepchild
 - An adopted child
 - A foster child or a ward
 - Eligibility of a child is automatic up to age 16 and continues up to age 25 whilst in full time education
 - An orphan's benefit is payable where there is an eligible child but no eligible spouse
 - Eligibility must be established as at the date of death

DFRDB Spouse Entitlements on Death of a Member

- A spouse pension is the equal to 47.8125% of DFRDB Superannuation Salary at the time of death (62.5% of Class A Invalidity Pay)
- The spouse has the option to commute up to twice DFRDB Superannuation Salary at the time of death
- The maximum commutation will reduce the spouse's pension by 4% of the total commutation lump sum

- An election to commute can be made up to 12 months after the date of death and pension is reduced from the date the commutation takes effect
- A spouse's commutation lump sum is tax free

Children's/Orphan's Entitlements on Death of a Member

- Eligibility of a child is automatic up to age 16 and continues up to age 25 whilst in full time education
- An orphan's benefit is payable where there is an eligible child but no eligible spouse
- Eligibility must be established as at the date of death
- A child's pension is a set CPI indexed amount (\$515.03 wef 1/01/07) plus 1/6 of the spouse's pension before commutation
- An orphan's pension is a set CPI indexed amount (\$8,253.40 wef 1/01/07) plus 1/8 of what would have been the spouse's pension before commutation – subject to a maximum commencing pension payable to eligible orphans of 76.5% of the DFRDB superannuation salary
- The child's or orphan's pension is adjusted for CPI increases

Spouse/Children's Entitlements on Death After Retirement

- A spouse's pension is 62.5% of the member's pre-commutation retirement pay at the time of death
- A child's pension is a set CPI indexed amount (\$515.03 wef 1/01/07) plus 1/6 of the spouse's pension (\$1,660.66 pa per \$10,000 of spouse's pension)
- An orphan's pension is a set CPI indexed amount (\$8,253.40 wef 1/01/07) plus 1/8 (\$1,250.00 pa per \$10,000) of the spouse's pension

Rejoining the ADF After Retirement/Discharge

- Membership continuity provisions apply if you are discharged and rejoin without a break in full time service
- If you are discharged without entitlement to retirement pay, and re-enter full time ADF service within 90 days, you can elect to have the discharge disregarded for DFRDB purposes
- If you are in receipt of retirement pay and intend to re-enter the ADF on full time duty check your options out before you re-enter, otherwise:
 - A substantial overpayment in retirement pay may occur, and
 - You may forgo your right to elect to remain as a DFRDB member and become a member the MilitarySuper by default, and have your DFRDB retirement pay suspended
- Complete an election Form DM 100 DFRDB Retirement Pay and MilitarySuper Pension Recipients Re-entering the ADF form BEFORE RE-ENTRY

Maximise Retirement Pay

- Ensure that you have taken account of the points that may increase the level of your benefit:
 - Another year of effective service
 - A salary increase
 - Officers – attaining your Notional Retiring Age
 - Retirement 2 days before a birthday (Officers – provided you do not suffer a notional retiring age penalty)
 - Retirement in the 1st half of the month
 - If there is no entitlement to retirement/invalidity pay - investigate the preservation option
 - Seek professional financial advice well before retirement/discharge

