

Useful contacts

Australian Taxation Office (ATO)

The ATO can help with questions about your super and tax.

www.ato.gov.au

Personal tax enquiries: 13 28 61

Superannuation enquiries: 13 10 20

Centrelink

Contact Centrelink for information about the Age Pension, Pensioner Concession Cards, Widow B Pension, Wife Pension, Commonwealth Seniors Health Card and their Financial Information Service.

www.centrelink.gov.au

Retirement Services: 13 23 00

If you are deaf or have a speech impediment
13 36 77 (Voice and TTY) | 1800 555 677 (Voice and TTY)

Department of Veterans' Affairs (DVA)

Contact DVA for information about pensions and support services for veterans and their dependants.

www.dva.gov.au

General enquiries: 13 32 54

Defence Force Welfare Association (DFWA)

DFWA is an independent, national association working for the benefit of serving and former members and reservists of the Australian Defence Force.

www.dfwa.org.au

Postal address: PO Box 4166, Kingston ACT 2604

Phone: 02 6265 9530 | Fax: 02 6265 9776

Email: national@dfwa.org.au



How to contact us

Email: pensions@dfrdb.gov.au

Phone: **1300 001 877** from anywhere in Australia for the cost of a local call (additional charges apply to mobile phones). We are available from 9:00 am to 5:00 pm Australian Eastern Standard Time (AEST) Monday to Friday.

Pensioners with a hearing impairment can use a special TTY facility: 02 6272 9827

Fax: 02 6272 9618

Postal address: DFRDB, PO Box 22, Belconnen ACT 2616

Street address: Unit 4 Cameron Offices, Chandler Street, Belconnen ACT 2617

Web: www.dfrdb.gov.au

Complaints

Phone: 1300 033 732

Email: complaints@dfrdb.gov.au

Postal address: Attention: Complaints Officer
PO Box 22, Belconnen ACT 2616



Pension Update



Australian Government

Defence Force Retirement &
Death Benefits Scheme

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How the Consumer Price Index (CPI) affects your pension

On the first payday in January and July each year, your pension is increased only if the Consumer Price Index (CPI) has increased.

The CPI takes into account a range of factors as set by the Australian Bureau of Statistics (ABS). These include the price of food, clothing, housing and transport.

Once the ABS releases the CPI figures, we can see if your pension is due for an increase. If the CPI rises we increase your payment. If the CPI falls your pension will remain the same.

How the CPI Pension adjustment is calculated

On 22 April 2009 the ABS announced a CPI figure of 166.2. As this is lower than the earlier figure of 166.5, your pension will remain the same. The following calculation details this:

Calculate CPI increase

$$\frac{(\text{March 2009 CPI number}) - (\text{September 2008 CPI number})}{(\text{September 2008 CPI number})} \times 100 = \text{CPI change (September 2008 to March 2009)}$$

$$\frac{(166.2 - 166.5)}{166.5} \times 100 = -0.1801801\%$$

$$= -0.18\% \text{ (when rounded to the nearest tenth of one per cent)}$$

Therefore, on payday 2 July 2009, your superannuation pension will not be increased. If you would like more information about the CPI and how it is calculated, visit the ABS website at www.abs.gov.au

Economic pressure and its effect on your DFRDB pension

The DFRDB Authority wants to reassure pensioners that DFRDB entitlements are not affected by the current global financial circumstances. The DFRDB scheme is a fully defined benefit scheme in which entitlements are based on factors such as salary and years of actual length of service (or in the case of medical discharge or Member death, potential prospective service). Unlike many other schemes, the DFRDB benefit is not dependant on fund earnings which are typically influenced by fluctuating global and domestic financial markets.

There is provision for your pension to be indexed twice yearly in line with upwards movements in the Consumer Price Index (CPI). When there is no increase in the CPI, your pension remains the same.



Pictured: People's Republic of China Navy have visited Sydney, docking at Fleet Base East at Garden Island. The ship: Chinese Luhu Class Destroyer (DDG112)



Pensioner Services Online update

In the January pension update, we reported improved services to Pensioner Services Online.

For those of you who already access this service, you can now:

- View and update your personal information, including banking details
- View your fortnightly pension payments
- View and print your CPI letter and payment summary
- View DFRDB contact details

For those of you who don't have access and would like to take advantage of this service, please call **1300 001 877** and we can give you an access number over the phone. To do this, we will need to verify your identity by asking for your full name, date of birth, current address and reference number, please ensure you have this information ready when you call.

Changes to the way you claim pre July 1983 excess contributions

What are pre July 1983 excess contributions?

Pre 1983 excess contributions are contributions made to the DFRB/DFRDB prior to 1 July 1983 which, together with life insurance premiums (if any), exceeded an annual limit of \$1200.

Prior to 1 July 2007 you were able to claim a tax concession for these contributions directly from the Australian Tax Office (ATO) when submitting your Income Tax Return.

What has changed?

To claim this amount for the 2007/08 financial year onwards, this amount must be converted into a Tax Free amount by the DFRB/DFRDB, and shown on your payment summary. If you are eligible to claim this concession, it may reduce the amount of DFRDB/DFRB income that is assessed for tax.

What do I need to do?

If you previously advised DFRDB of your pre July 1983 excess contributions (such as on your application form when

you claimed your pension), this amount will have been automatically converted into a Tax Free amount from 1 July 2007 onwards.

If you have **not** previously notified DFRDB of your pre July 1983 excess contributions, and wish to have this amount converted into a Tax Free amount for the 2007/08 financial year and onwards, you should follow the steps below:

Step 1:

a) You can obtain confirmation from the ATO of the value of your pre July 1983 excess contributions by phoning **13 10 20** or by writing to:

The Australian Taxation Office
Superannuation Business Line
PO Box 277
World Trade Centre VIC 8005

or

b) Complete the **Application to vary Tax free amount (D83)** available from the DFRDB website and return it to us. In this form you will be able to authorise ComSuper to seek this amount directly from the ATO.

Step 2:

Once we receive the necessary information from the ATO, we will recalculate your tax free component and issue you with an amended 2007/08 payment summary.

Step 3:

You can then apply to the ATO for a reassessment of the tax you have paid.

Do I have pre July 1983 excess contributions that can be applied to my pension?

The following checklist outlines the eligibility criteria for pre July 1983 excess contributions:

- You paid in excess of \$1200 per year to superannuation or life insurance premiums, prior to 1 July 1983
- You did not take your pre July 1983 excess contributions as part of your lump sum.

If you ticked one of the boxes above, you may be eligible to claim pre July 1983 excess contributions.



Changes to the Same Sex Relationships Act

The *Same Sex Relationships (Equal Treatment in Commonwealth Laws – Superannuation) Act 2008* was passed on 26 November 2008 and came into effect on 1 January 2009. The new legislation eliminates discrimination against same-sex couples and their children in relation to Australian Government civilian and military superannuation schemes. This means the Defence Force Retirement Benefits (DFRB) scheme and Defence Force Retirement and Death Benefits (DFRDB) scheme are affected by this new legislation.

The changes allow eligible same-sex partners to receive death benefits upon the death of their partner. The rules apply to Members and pensioners who die on or after 1 January 2009.

Further information regarding spouse eligibility and death and dependents benefits can be found on the DFRDB website at www.dfrdb.gov.au

Members in a same-sex relationship do not need to register their relationship with us as eligibility is determined at the time of the Member's death.

Eligible children of same-sex couples are also entitled to receive reversionary death benefits. The definition of a child has been extended to include a child within the meaning of the *Family Law Act 1975*. This includes children born from an artificial conception procedure and children defined under law as born from a surrogacy agreement.



Family law and de facto relationships

The *Family Law Amendment (De Facto Financial Matters and Other Measures) Act 2008* was passed on 24 November 2008 and came into effect on 1 March 2009. This Act effected changes to the *Family Law Act 1975* which provides for opposite-sex and same-sex de facto couples to access the Federal Family Law Courts on property and maintenance matters.

The changes also include recognition of financial agreements between de facto couples and superannuation splitting where determined by court proceedings. This was previously only available to legally married couples of the opposite sex.

De facto partners and former de facto partners can now access information regarding a Member's super in order to enter into a financial agreement. This can be done by completing a **Form 6 – Application for Information** available from the DFRDB website at www.dfrdb.gov.au.

Review of pension indexation arrangements in Australian Government civilian and military superannuation schemes

In the January 2009 pension update, we advised that on 26 June 2008, the Minister for Superannuation and Corporate Law, Senator Nick Sherry, announced a review of the pension indexation arrangements for Australian Government super schemes, including DFRDB.

At the time of printing this document, the outcome of the review is not known.

Information will be made available via www.dfrdb.gov.au as it becomes available.

For further information about the review, visit the Department of Finance and Deregulation website at:

www.finance.gov.au/superannuation/pension-indexation-review.htm



What happens to my pension when I die?

In the event of your death a family member should let us know by calling us on **1300 001 877**. We can stop your pension payments and this will prevent overpayments which your estate would need to repay.

If you die while receiving a DFRDB pension, your eligible spouse is entitled to receive a pension that is a percentage of the pension being paid to you at the time of your death.

Even if your spouse and/or children are eligible for a pension, your pension payments must stop before we can assess any further benefit payable. As soon as your family contacts us we will arrange for an application form to be sent to your spouse and/or children. This means they can apply for a pension and benefits will start for your family as soon as possible.

When your family completes the application form for a pension, documents to prove their identity will need to be supplied. The following is a list of documents we can accept as identification. Two certified documents are required, one document from column A **or** one document from column B **and** one document from column C.

For example, your spouse could give us a certified copy of their driver's licence (from column A) **or** certified copy of their birth certificate (from column B), **and** a certified copy of an electricity bill (from column C).

A	B	C
Driver's licence or permit issued by State or Territory or foreign government	Birth Certificate or Birth Extract, issued by an Australian or foreign Government (either in English or accompanied by English translation prepared by an accredited translator)	Copy of a rates bill with the same address and name as on the application
Passport (current or expired by less than two years)	Australian Citizenship certificate	Copy of an electricity or gas bill with the same address and name as on the application
An identification or proof of age card issued by a State or Territory, containing a photograph	Citizenship certificate issued by a foreign country (either in English or accompanied by an English translation prepared by an accredited translator)	Copy of a tax return letter from the Tax Office with the same address and name as on the application
A national identity card, containing a photograph, issued by a foreign government (either in English or accompanied by an English translation prepared by an accredited translator)	Pension or other social security/DVA benefit card	A letter from Centrelink or DVA with the same address and name as on the application
	ADF Discharge papers	For a person under the age of 18, a letter from a school principal, within three months of application, stating the name of the student, residential address and period of time the student attended the school





Re-entry into the Defence Force

If you are planning to return to the Australian Defence Force on *Continuous Full Time Service (CFTS)* for any length of time, and do not make a valid election **before** your **first day of service** back in the ADF you will **automatically become a member of the MilitarySuper scheme**. This change is **final** and **irreversible** and you will be unable to ever return to the DFRDB Scheme as a contributor.

It is your responsibility to ensure that an election is made and lodged with ComSuper.

If you are currently receiving a DFRDB pension you **must** elect whether to contribute to DFRDB or MilitarySuper.

Scheme election depends on the nature and length of a reengagement.

Reserve Forces in CFTS for less than 12 months

If you make a **valid election** to rejoin the DFRDB Scheme:

- you continue to receive your DFRDB pension
- you will not make contributions to DFRDB, and
- a productivity benefit will accrue at 9% for the period of service.

Reserve Forces in CFTS for 12 months or more or the Permanent Forces for any full-time service

If you make a **valid election** to rejoin the DFRDB Scheme:

- your DFRDB pension will be CANCELLED
- you will make contributions to DFRDB and
- your DFRDB pension will resume after your service ends. It will be recalculated based on your updated total years of service.

In either of the above situations

If you elect to join MilitarySuper, or you fail to make a valid election before your first day of service:

- your DFRDB pension will be SUSPENDED
- you will make contributions to MilitarySuper and
- your DFRDB pension will resume, adjusted for CPI, when your period of service ends.

Extensions of engagements

You do not have to make another election if you extend or continue your period of ADF service without a break.

An exception to this applies for Members who are serving in the reserves for less than 12 months, don't have a break in CFTS, and then change to either:

- the Permanent Forces

or

- CFTS for 12 months or more in the Reserves.

If this applies, you must make another scheme election before the first day of the extension or continuation of your current engagement. If you do not make an election within this time, you will automatically and permanently become a Member of MilitarySuper.

For Further Information

Please read the **Re-Entering the ADF fact sheet (DFo9B)**. To make a scheme election you must fill out a **D100 form**. Both of these are available from the DFRDB website at **www.dfrdb.gov.au**

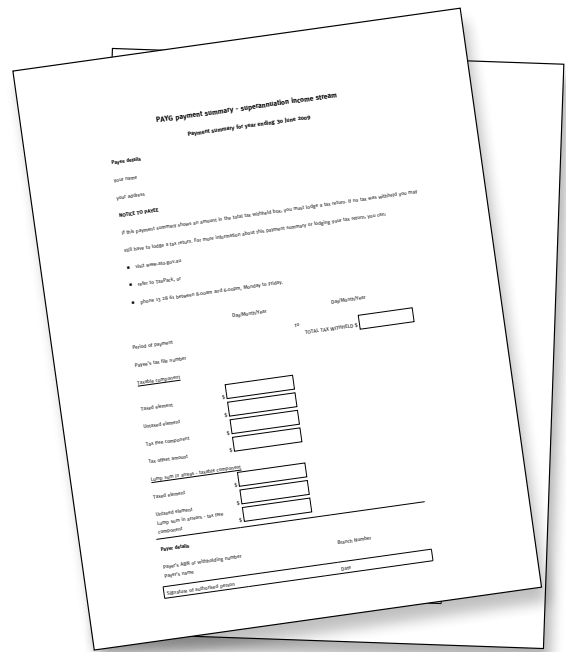


About your payment summary

Changes were made to the way we report your pension payments to the ATO at the end of the financial year. We now only include assessable income on your payment summary.

What this means for you is that if you are over 60 years of age, you will have an additional paragraph included on the second page of your payment summary.

This additional information is for your information only and details the total amount of pension you have received in this financial year. You do not need to provide this to the ATO.



We want your feedback!

One way that we measure our level of customer service is by sending a survey each year to a random selection of pensioners. If you have been selected to participate, you will find a survey in your package. Please return the survey by **31 July 2009** in the reply paid envelope. For further information, call ORIMA Research on **1800 806 950** (free call).

If you don't receive a survey, but would like to give your feedback, call **1300 001 877** or email **pensions@dfldb.gov.au**. You can also write to us at the address at the back of this pension update.

If you are not satisfied with our service, you can either ask to speak with a supervisor or talk with a complaints officer. Contact details for any complaints are at the back of this pension update.

If you are still dissatisfied with our response or we cannot resolve your complaint within 90 days you can lodge a complaint with the Superannuation Complaints Tribunal (SCT) free of charge. The SCT is an independent organisation set up by the government to resolve complaints. You can contact the SCT directly by:

Phone: 1300 780 808
Fax: 03 8635 5588
Email: info@sct.gov.au
Web: www.sct.gov.au

Do you need to update your address or banking details?

You can change your details at Pensioner Services Online or by contacting DFRDB. Our contact details are set out at the back of this pension update.

Please note that any address changes made after the **11 December 2009** will not be effective for the January 2010 CPI mail out. If you have changed your address and have not let us know by this date, please make sure you have a mail redirection in place to make sure you receive your January 2010 CPI pack.

Any bank or tax changes made after 11 December 2009 will not apply to your pension until payday 28 January 2010.

Do you need to update your taxation details?

If you wish to make changes to your fortnightly taxation arrangements, you will need to complete a Withholding Declaration form or advise DFRDB in writing. This form is available from the DFRDB website or the ATO.

Please ensure you provide your full name, date of birth, current address and reference number to confirm your identity.