



Pension update

January 2018 / Issue 31

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January 2018 CPI rate

Your pension is indexed twice a year on the first payday in January and July. There are two methods for indexing pensions and the method that applies to your pension depends on your age at the pension indexation date (either 1 January or 1 July).

If you are under age 55 at the pension indexation date, your pension will continue to be indexed in line with upward movements in the Consumer Price Index (CPI).

If you are 55 or over at the pension indexation date, your pension will be indexed in the same way as age and service pensions are indexed. Age and service pensions are indexed by the greater of the CPI and the Pensioner and Beneficiary Living Cost Index (LCI) measured against a floor percentage of Male Total Average Weekly Earnings (MTAWE).

If you were under age 55 at 1 July 2017 your gross pension will increase by 0.8%. If you were age 55 or over at the pension indexation date, your gross pension will increase by 0.8%

For more information about how your pension increase was calculated, including examples, please visit dfrdb.gov.au

Choose to use our online services

Our online services provide you with secure and convenient access to information like your CPI letter and PAYG payment summary.

You can also:

- > change your payment details,
- > update your address,
- > check your pension payment history,
- > view and print your pension increase letters and PAYG payment summary.

To opt-in and take advantage of our online services visit our website and;

- > log into **Pensioner Services Online** at dfrdb.gov.au;
- > under **My Statements/My CPI and Tax Information** section change your communication preference to 'Electronic'.

If you are a first time user you will need to create a new account. To do this you can register online at dfrdb.gov.au



CSC re-brand coming soon

Experience counts



**Commonwealth
Superannuation
Corporation**

Over the past 12 months we've been asking what you think of CSC and what is important to you. The feedback we have received has been very helpful.

As a result, over the next few months you'll start to see a number of changes aimed at improving our services. One of those changes is a new-look CSC brand.

Our new brand will make everything about super and your pension easier to understand. Our focus is on guiding you through every process – big or small.

Rest assured, how we manage your pension will not change - only the way we deliver our service and experience to you. It's all about making it easier for you to do the things you need to do.

You can get a sneak peek at our new brand in action on our website at csc.gov.au/csc-rebrand

The 3rd Act – Freedom in Retirement



Retirement is more than sorting your super. There are emotional, physical, life-style, and other financial aspects to consider.

The 3rd Act program can support you to prepare holistically for retirement.

We run regular free retirement planning seminars, workshops, and webinars to give you practical information, tools and advice to consider as you plan your ideal retirement.

We also publish regular financial, life-style, and retirement stories with tips and advice from retirement planning

experts, superannuation insiders, and members of the 3rd Act community.

Get the most out of your retirement. Join The 3rd Act – Freedom in Retirement Community today.

Find out more at the3rdact.com.au

Transfer Balance Cap Update

Earlier this year we let you know your Transfer Balance Cap (TBC) Credit value. We must report this value to the Australian Taxation Office (ATO) so they can:

- > ensure the total value of your superannuation income streams does not exceed the TBC; and
- > calculate your Total Super Balance (TSB), which determines your ability to make superannuation contributions

The pension components of your TBC Credit are also determined by the ATO. They may include:

- > 7 Pay Additional Payment for reversionary recipients
- > Reversionary benefits paid to children in their own right

The ATO have advised there is currently no provision to exclude reversionary recipients from TBC reporting.

If you have another superannuation income stream outside of DFRDB, the TBC Credit for that income stream may reflect a lump sum value that is invested or can be commuted or withdrawn.

This is not the case for DFRDB pensions.

Unlike other income streams, your pension is drawn from consolidated revenue rather than a fund. This means the TBC Credit calculated for your DFRDB pension is a notional value. It does not represent an amount from which you can withdraw a lump sum in addition to (or in lieu of) your fortnightly pension payments.

More information on the TBC can be found at dfrdb.gov.au



It is our understanding that the TBC measures have not impacted the way DFRDB pensions are treated under the assets test.

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Disclaimer

The information provided in this document is general advice only and has been prepared without taking account of your personal objectives, financial situation or needs. Before acting on any such general advice, you should consider the appropriateness of the advice, having regard to your own objectives, financial situation and needs. You may wish to consult a licensed financial advisor. You should obtain a copy of the **DFRDB Product Disclosure Statement (PDS)** and consider its contents before making any decision regarding your super.

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