

Department of Defence

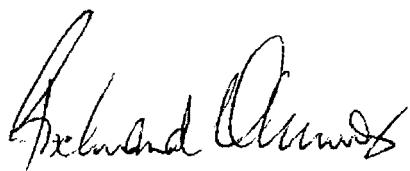
DEFGRAM 246/2014

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NEW MILITARY SUPERANNUATION ARRANGEMENTS

1. The Government announced on 13 May 2014 a new, modern military superannuation arrangement, to be known as *ADF Super*, for people joining the permanent Australian Defence Force (ADF) from 01 July 2016.
2. Introduction of *ADF Super* boosts the Defence employment offer by allowing ADF members to choose which superannuation fund they belong to and, for the first time, give those members the ability to transfer their accumulated benefits to a new fund if they leave the ADF.
3. *ADF Super* will also accommodate flexible work arrangements, an important reform being introduced under Project Suakin—the future ADF workforce model.
4. The new arrangement will apply to:
 - a. those joining the ADF from 01 July 2016
 - b. serving and returning members of the Military Superannuation and Benefits Scheme (MSBS) who choose to join the new scheme.
5. The current MSBS will be closed to new members from 01 July 2016.
6. *ADF Super* will be a fully funded accumulation plan, with an employer contribution rate of 15.4 per cent, increasing to 18 per cent during periods of war-like service in recognition of the unique nature of military service.
7. There will be no requirement for members to contribute to the new scheme. This provides greater choice for individuals in how they manage their finances at various stages of their working life.
8. Current members of the MSBS can choose to stay in that scheme, or join *ADF Super*. There will be no compulsion for them to join the new arrangement.
9. There are no changes for Defence Force Retirement and Death Benefits (DFRDB) scheme members under the new arrangements.
10. The new arrangements will have the same death and invalidity provisions as those available under the current MSBS.
11. A default fund for members who do not nominate an alternative scheme will be established and managed by the Commonwealth Superannuation Corporation, which currently administers all other Commonwealth schemes, including the current and past military superannuation schemes.
12. The new arrangement has no impact on the recent changes to the indexation of DFRB and DFRDB military superannuation pensions.

13. Further details will be released as available on the Defence Restricted Network, in Service newspapers and communicated to ADF members through further DEFGRAMS, signals and the chain of command.



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