

### Who is a re-entrant?

A re-entrant is a former Member of the ADF who contributed to either the DFRDB Scheme or MilitarySuper, and who re-enters the ADF after discharge or retirement. Different options apply depending on whether you are a former DFRDB or MilitarySuper Member, and whether you are a re-entering Member or a re-entering recipient.

#### Former DFRDB Scheme Members are divided into:

- *re-entered Members*—that is, those who originally contributed to the DFRDB Scheme and received a refund of their DFRDB contributions; and
- *re-entered recipients*—that is, those who retired and received a DFRDB or DFRB pension, or elected to receive deferred DFRDB benefits.

#### Former MilitarySuper Members are divided into:

- *re-entered Members*—that is, those who previously contributed to MilitarySuper and received a resignation benefit; and
- *re-entered recipients*—that is, those who retired and received a MilitarySuper Employer Benefit converted to a pension.

### Former DFRDB Scheme Members

#### Re-entered Members

If you are a re-entered DFRDB Scheme Member, you must join MilitarySuper. Although you cannot purchase previous service, it will be taken into account in determining where your MilitarySuper Employer Benefit begins on the Employer Benefit growth table. MilitarySuper Employer Benefit growth rate is shown on the following table:

#### Employer Benefit growth table

Years of service	% of FAS per year
Enlistment to 7 years	18%
7 years 1 day to 20 years	23%
20 years 1 day onward	28%

The following examples show how previous DFRDB service increases your MilitarySuper Employer Benefit.

#### Example 1: MilitarySuper Member with no previous DFRDB service

Peter serves for 10 years. He has no previous DFRDB service. His final average salary (FAS—the average of his salary over the last three years of service) at date of resignation is \$46 000.

Employer Benefit is:

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$$\begin{aligned} 7 \text{ years @ } 18\% &= 1.26 \text{ times FAS of } \$46,000 \\ 3 \text{ years @ } 23\% &= 0.69 \text{ times FAS of } \$46,000 \\ \text{Employer Benefit} &= 1.95 \text{ times FAS of } \$46,000 \\ &= \$89,700 \end{aligned}$$

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#### Example 2: MilitarySuper Member with previous DFRDB service

Iain serves for 10 years having previously been a Member of the DFRDB Scheme for 12 years. His FAS at date of resignation from MilitarySuper is \$35, 000.

Employer Benefit is:

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$$\begin{aligned} 8 \text{ years @ } 23\% &= 1.84 \text{ times FAS of } \$46,000 \\ 2 \text{ years @ } 28\% &= 0.56 \text{ times FAS of } \$46,000 \\ \text{Employer Benefit} &= 2.40 \text{ times FAS of } \$46,000 \\ &= \$110,400 \end{aligned}$$

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#### Re-entered recipients (DFRDB)

DFRDB pensioners can rejoin the DFRDB Scheme or join MilitarySuper.

#### IMPORTANT

**You must make the decision about which Scheme to join before re-entry. There is a special form (D100) for making this election.** If, for any reason, you do not make an election before rejoining, you automatically become a Member of MilitarySuper.

If you join MilitarySuper, your DFRDB pension will stop until your resignation or retirement. When you resign or retire, your pension will then be reinstated, having been updated by the Consumer Price Index (CPI). MilitarySuper Employer Benefit will grow at the normal rate for a new entrant—that is, starting at 18% of FAS.

If you decide to contribute to the DFRDB Scheme (if re-entry is for 12 months or more) instead of MilitarySuper, your DFRDB pension will be cancelled. When you resign or retire, you will receive a new DFRDB pension, based on total years of service, and an additional commutation lump sum, less the amount of your original lump-sum commutation adjusted by the CPI to its current value.

### Former MilitarySuper Members

#### Re-entered Members

If you leave before you have reached your preservation age, you will be entitled to an employer-financed benefit which becomes payable on retirement from the workforce at or after you reach your preservation age. This is referred to as a Preserved Benefit. If you rejoin MilitarySuper with a preserved benefit, you will keep your entitlement to that benefit. It will continue to grow at CPI, except for the 3% productivity component, which will continue to grow according to the performance of the Fund's default investment strategy.

You will be entitled to an additional Employer Benefit for your second period of service. Your previous service is used to determine where your benefit will start for the second period of service on the Employer Benefit Growth Table (see previous page). For example, if you resigned after 12 years of service and then rejoined the ADF, your Employer Benefit would start growing at 23% of FAS for each year of service, instead of at 18%.

#### Example 3: MilitarySuper Member with previous MilitarySuper service

Deirdre serves for 10 years having previously been a Member of MilitarySuper for 12 years. Her FAS on completion of the second period of service is \$48, 000.

Employer Benefit for second period of service is:

8 years @ 23% = 1.84 times FAS of \$48, 000

2 years @ 28% = 0.56 times FAS of \$48, 000

Employer Benefit = 2.40 times FAS of \$48, 000

= \$115, 200

The Employer Benefit you receive at your preservation age will be the total of both periods of service.

#### Re-entered recipients (MilitarySuper)

If you are a re-entered recipient who rejoins the ADF on continuous full-time duty, you will contribute to MilitarySuper and your pension will be suspended until you have completed your second period of service, when it will be reinstated, having been updated by CPI increases.

When you leave the ADF, you will have an entitlement to the contributions and interest from your second period of service, payable when you reach your preservation age.

You will also have an additional Employer Benefit arising from that service, which will take account of your previous service. For example, if your previous service was 20 years or more, your new Employer Benefit will grow at 28% of FAS for each year of service (see Employer Benefit Growth Table on previous page). In most cases, the new Employer Benefit must be preserved until retirement from the workforce at or after reaching preservation age. It may then be taken as a lump sum, or a pension, or a combination of both.

MilitarySuper is administered by ComSuper on behalf of the Military Superannuation and Benefits Board of Trustees. If you need further information about any aspect of your MilitarySuper membership, contact ComSuper directly, or ask your Unit Pay Officer.

Other editions in this information series are available from your Pay Office and include:

- About to leave the ADF?
- Dependants' Benefits
- Invalidity Benefits
- Leave Provisions
- Taxation of Lump Sums
- Rejoining the ADF
- The Productivity Benefit
- Summary of the Scheme
- Superannuation Contributions Surcharge

MilitarySuper Book, an overview of the scheme, is also available.

### *If you need more information ...*

Phone: Customer Service Centre 1300 006 727  
Fax: (02) 6272 9617

Website: [www.militarysuper.gov.au](http://www.militarysuper.gov.au)  
Email: [members@enq.militarysuper.gov.au](mailto:members@enq.militarysuper.gov.au)

Post: PO Box 22  
Belconnen ACT 2616

Visit Unit 4 Cameron Offices  
Chandler Street Belconnen  
ACT 2617

ABN: 50 925 523 120  
SPIN: CMS0103AU

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