

What are additional personal contributions?

Additional personal contributions are contributions you can voluntarily make in addition to your regular fortnightly MilitarySuper contributions. There is no limit on how much or how often you can contribute but once paid, you can't get them back until the benefit becomes payable.

Who is eligible to make additional personal contributions?

To be able to make additional personal contributions you must be a current contributing MSBS member. You cannot make additional personal contributions if you are a preserved benefit member.

What do I get?

You will get another benefit in addition to your Member and employer benefit. This benefit is only payable as a lump sum, not as a pension.

This benefit is called an Ancillary Benefit and comprises the contributions you paid and MSB Fund investment returns.

Investment returns may be negative from time to time and as a consequence the value of the benefit will rise and fall. It is therefore possible that the benefit might be less than the amount you contributed, particularly over a shorter term.

The benefit is subject to tax when it becomes payable, at the same concessional rates that apply to other superannuation benefits.

How do I pay them?

You can either:

- make arrangements with your Pay Unit to deduct them from your after-tax salary, or
- pay them direct to our administrator, ComSuper, by

cheque or money order. Each contribution must be accompanied by an Additional Personal Contributions - Deposit Form (MACo1), available on the MilitarySuper website. Note that the first time you pay contributions by this method on or after 12 December 2008, you will be required to supply identification. Further details are available on the MACo1 form

Contribution Limits

Additional personal contributions are classed as non-concessional contributions. There is a cap on the amount of non-concessional contributions you can pay into your superannuation without incurring additional tax. The non-concessional contributions cap across all your superannuation funds is:

- maximum \$150,000 per year; or
- for members under 65, a maximum of \$450,000 over 3 years. For example, \$300,000 in year 1, \$100,000 in year 2 and \$50,000 in year 3.

Your non-concessional contributions up to the caps can be paid in tax free.

Contributions above this cap will be taxed at the top marginal tax rate (plus Medicare levy).

If you are approaching your non-concessional contributions cap you will also need to take into account that it is compulsory for you to continue to make Member contributions at the rate of 5% unless you have reached your Maximum Benefit Limit.

If you contribute over the cap the Australian Tax Office (ATO) will advise you of your options.

How are they invested?

Additional personal contributions are held within your MilitarySuper account and are invested in the same strategy or combination of strategies as your regular member contributions. Changes in your investment strategy automatically include these contributions.

Additional personal contributions

When can I get the benefit?

Generally, the benefit cannot be paid until you permanently retire from the workforce after reaching your preservation age. This may be different to the date you can claim your MilitarySuper benefit.

Your preservation age is based on your date of birth, as shown in the following table:

| Date of birth | Preservation age |
|--------------------------|------------------|
| Before 1 July 1960 | 55 |
| 1 July 1960—30 June 1961 | 56 |
| 1 July 1961—30 June 1962 | 57 |
| 1 July 1962—30 June 1963 | 58 |
| 1 July 1964—30 June 1964 | 59 |
| After 30 June 1964 | 60 |

All or part of the benefit may be paid to you earlier, provided you have left the Defence Force:

- if you become totally and permanently incapacitated
- on severe financial hardship grounds
- on compassionate grounds.

You can also claim the benefit if you cease or change employment after reaching age 60. The benefit must be paid out when you reach age 65.

In the event of your death, the benefit will be paid to:

- your dependants, or
- a dependent person(s) you nominated in writing and included in your will, or
- your estate.

Can I rollover the benefit?

You can rollover the benefit at any time, even before you leave the Defence Force. Note that access to the benefit from the rollover institution will be subject to the same preservation conditions as outlined above.

What else could I pay?

Additional personal contributions are one of a range of voluntary contributions (collectively called 'ancillary contributions') you can now pay. Separate fact sheets are also available for:

- Salary Sacrifice Contributions
- Transfer Amounts
- Spouse Contributions
- Co-contributions

If you need more information ...

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