

## ADF SUPERANNUATION ISSUES

I attended a peak ESO group meeting on 26/8 to which ADSO belongs, called the Ex-Service Organisation Round Table (ESORT).

The information below is from that meeting, courtesy of Alf Jaugietis, Exec Director, DFWA.



**Noel Mc Laughlin**  
Chairman  
RAAC Corporation

Legislation for [the Superannuation] finally passed both the House and the Senate last week so it's done and dusted.

As you heard from David Jamison, ADSO played a major influencing role in the final outcome.

Right from the start the Scheme was always one involving full contribution by the government and none by the member if he/she so wished.

Originally, the Government proposed that they would contribute 15.4%, and raise it to 18% for those on war like service. The latter was sheer nonsense.

After much lobbying, the final Bill provides for a single 16.4% Government contribution rate for all ADF personnel, regardless of their operational status.

This rate is one percent higher than Government contributes to its civilian public sector superannuation schemes and now does not discriminate between operational and non-operational service.

The higher rate was won on the argument that there had to be recognition of the **'unique nature of military service'**.

Significantly, the 16.4% will be based on all ordinary time earnings, which includes salary and all allowances that are not expense type allowances\*\*\*\*(see past para).

The new ADF Super Scheme will apply to:

- those joining the ADF for the first time on and after 1 July 2016;
- contributing MSBS members who choose to join ADF Super;
- preserved MSBS members who re-join the ADF and choose to become a member of ADF Super; and
- MSBS and Defence Force Retirement and Death Benefits (DFRDB) scheme members who receive retirement pay and re-join the ADF on a full time basis or as a Reservist on Continuous Full Time Service on or after 1 July 2016.

A couple of extra points to note:

1. Contributing DFRDB members do not have the option to transfer to ADF Super.
2. The current MSBS will be closed to new members from 1 July 2016.

Unlike previous military schemes, such as the MSBS which requires a minimum employee contribution of 5 per cent of salary, there will be no requirement for ADF Super members to make employee contributions to their superannuation. As a result, contributing MSBS members who choose to become ADF Super members will immediately receive a 5 per cent increase to their take home pay as they are no longer required to make compulsory employee contributions.

ADF Cover, the death and disability component of ADF Super, will provide at least the same cover as currently exists in the extant Military Superannuation and Benefits Scheme (MSBS).

**\*\*\*The ordinary time earnings of a member of the ADF include all allowances that are paid (such as service allowance, higher duties allowance, separation allowance, location allowance, adventurous training allowance, arduous conditions instructor allowance, flying disability allowance, diving allowance, maritime disability allowance, submarine escape disability allowance) that are not expense type allowances (e.g. travelling allowances). There are in excess of 500 different allowances that can be paid to an ADF member and most would be considered to be ordinary time earnings. Ordinary time earnings also include any retention bonuses and payments that are made to the member. Under ADF Super, all of these payments will be afforded the allocated contribution rate.**