



Pension update

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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 either register online or call our Customer Information Centre on 1300 001 877 and we'll issue you with a password.

July 2017 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 1.0%. If you were age 55 or over at the pension indexation date, your gross pension will increase by 1.3%

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



Important taxation changes to your superannuation pension

A number of changes announced in the 2016-17 Federal Budget will come into effect from 1 July 2017. Some of these measures may impact your DFRDB pension, and the way your pension is taxed may change.

The introduction of a **Transfer Balance Cap (TBC)** will restrict the concessional tax treatment from age 60. A factsheet explaining the impact of the TBC to your DFRDB pension can be viewed at dfrdb.gov.au/super-changes

If you have any other superannuation pension products outside of DFRDB, it is strongly recommended you visit ato.gov.au or speak to a licenced financial planner or accountant to fully understand the impacts of this measure.

How will the taxation of my pension change?

The age 60 and over concessional tax treatment will be restricted for Defined Benefit pensions of more than \$100,000 per annum from 1 July 2017. For this purpose, if you have more than one Defined Benefit pension, the ATO will assess the combined value.

How much tax will I pay from 1 July 2017?

This information is detailed on your CPI letter. If you have more than one Defined Benefit pension scheme and combined they exceed \$100,000 per annum, you should ensure that you understand the new restrictions on the tax concessions applied from 1 July 2017. While our Customer Information Centre can provide you with general information regarding the TBC it is your responsibility to keep track of your TBC.

Where can I get more information?

In addition to the **Transfer Balance Cap** factsheet, there is a series of frequently asked questions available on our website at dfrdb.gov.au/super-changes

Depending on your situation, the impacts of the 2016-17 Federal Budget changes can be complex and may affect any other superannuation products you hold. You may wish to seek financial advice from a qualified professional who understands your scheme and situation. CSC has partnered with experienced financial planners from Industry Fund Services (IFS) to assist members in obtaining personal financial advice. Details for IFS can be found by visiting csc.gov.au/advice, or you can contact them on 1300 277 777.



Frequently Asked Questions

When will my pension cease/ run out?

Your pension is payable to you for your lifetime. Following your death, a reversionary pension may be paid to an eligible spouse and/or any dependant children.

What happens when I pass away?

When the time comes, your family should ensure we are notified at the earliest opportunity. They should gather important documents such as a Will, birth and marriage certificates and the death certificate (when it becomes available). They should then complete the benefit application form and submit it with the required identity documents (which are outlined in the form). The form is available from the DFRDB website.

Centrelink have asked me to complete a 'Details of Income Stream Product form' (SA330), can you help me with this?

This form asks CSC to provide information about your income to assess eligibility for Centrelink benefits. You can call the Customer Information Centre on 1300 001 877, and we can email, post or fax our response to you.

Will the age pension affect my pension?

Our pensions are not means tested against any other income support payments. If you are receiving a pension from Centrelink or DVA, it may be affected by your pension. Please contact Centrelink or DVA for more information.

Why is the tax taken from my DFRDB pension?

DFRDB pensions are considered to be taxable income by the Australian Taxation Office (ATO) and therefore we are obliged to deduct tax from your pension according to the relevant PAYG taxation schedules.

We will deduct any tax concessions you are eligible for automatically each fortnight, unless you have advised us that you wish to claim these concessions on an annual basis through your income tax return.

If you think you should not be paying tax on your pension you will need to apply to the ATO for an assessment. You can do this by completing a PAYG income tax withholding variation (ITWV) form available at ato.gov.au and submitting it to the ATO. Once the ATO has provided you with an assessment, you can forward this information to the DFRDB and we will apply any changes to your tax on the next available payday.

The 3rd Act – Freedom in Retirement



The 3rd Act program exists to encourage and support members and pensioners in taking a more holistic approach to retirement.

Throughout the year we run a number of seminars around Australia that seek to give you practical tools and advice to plan for the emotional, physical, lifestyle and financial aspects of retirement. Each seminar consists of two sessions.

Part 1: Holistic retirement planning – emotional, physical, lifestyle and financial considerations

This session will guide you through the non-financial and financial considerations in retirement focusing on the following:

- > Mind & body
- > Family and relationships
- > Work & lifestyle
- > Money & finances
- > It will help you identify the possibilities and the areas you need to focus on when defining goals and planning for your retirement.

Part 2: Further exploration of financial considerations for retirement

This session will take you through a detailed exploration of the financial considerations in retirement including the following:

- > Planning, goal setting & budgets
- > How much do I need?
- > Understand your Super scheme
- > Salary sacrifice vs paying the mortgage
- > Pension or lump sum?
- > Estate planning
- > CSCri – account based retirement income stream
- > Transition to retirement
- > Seeking financial advice

To learn more and register for the next seminar in your area, visit the3rdact.com.au/events/seminars/

While you are on the 3rd Act website, take a moment to sign-up to receive the electronic newsletter. This will keep you in touch with future stories, articles and events from the program.

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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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