

Member guide to ADF Medical Transition and Retrospective Invalidity

Let us guide you through the process, your options, and what happens post-transition.

RETIREMENT OF PUBLICATIONS

This page replaces several factsheets, including MMSPG Medical separation process, MS12 Invalidity benefits - Classification process, and MB03 Invalidity benefits. You no longer need to complete M40 Application for invalidity benefits, D40 Application for invalidity benefit and superannuation productivity, and ADFC40 Application for invalidity benefits forms as the ADF Medical Transition process has changed. [Learn more about Medical transition process \(https://www.csc.gov.au/superannuation/sickness-and-injury/adf-medical-transition\)](https://www.csc.gov.au/superannuation/sickness-and-injury/adf-medical-transition).

The information below is for customers of **MilitarySuper**. Not the right scheme?

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This page contains:

- **Invalidity Benefit entitlements**
- How we calculate
- Assessment process
- After transition
- Tax and your Invalidity Benefit
- Retrospective Invalidity
- Appeals and complaints

Invalidity Benefit entitlements

Your MSBS account is made of up to three components—the Member, Employer and Ancillary Benefits. The Employer Benefit is considered the **Defined Benefit** portion. The Member Benefit and Ancillary Benefit make up the **Accumulation** portion.

○ Employer Benefit

Typically, the Employer Benefit must remain preserved in MilitarySuper until you reach either your preservation age or age 55, or cease to be a permanent member of the ADF. Cash lump sum payments are restricted by your preservation age.

If you are classified Class A or B, you will be paid your Employer Benefit fortnightly. This cannot be taken as a lump sum.

If you are classified Class C, there are no payments available to you until you reach the age of 55, meet a **Condition of release** such as financial hardship, or become totally and permanently incapacitated.

For details on how an Invalidity Benefit is calculated, see [here](https://csc.sitecorecontenthub.cloud/api/public/content/8792157585004e86b0870451bef583fb?v=87905b55) (<https://csc.sitecorecontenthub.cloud/api/public/content/8792157585004e86b0870451bef583fb?v=87905b55>).

○ Member Benefit and Ancillary Benefit

Details of your Member and Ancillary Benefit (if applicable) will appear on your *Benefit Estimate—Invalidity Retirement*, Annual Statement and the [CSC Navigator](https://id.csc.gov.au/app/salesforce/exk20wwdlod5czpad3l7/sso/saml) (<https://id.csc.gov.au/app/salesforce/exk20wwdlod5czpad3l7/sso/saml>).

Your Member Benefit and Ancillary Benefit can be:

- preserved (left in MilitarySuper);
- rolled over (transferred) to another superannuation fund; or
- taken as a cash lump sum, if you have met a [condition of release](#).

If you contributed to MilitarySuper prior to 1999, you may have a pre-1999 component in your Member Benefit that becomes unrestricted once you separate from the ADF. If you would like to check if you have a pre-1999 component, please refer to your Annual Statement or contact your Case Manager.

Preservation

If you cease contributing to MilitarySuper due to a medical transition, your Member Benefit and Ancillary Benefit, which cannot be claimed at the time, must generally be preserved in a superannuation account until you have met a Condition of Release under the *Superannuation Industry (Supervision) Act 1993* in addition to the super fund rules.

Conditions of Release

Common conditions of Release for accessing your super are:

- reaching preservation age and permanently retiring from the workforce;
- ceasing an employment arrangement on or after age 60;
- being age 65 or over; or
- death.

Alternative Conditions of Release

You may be able to have your funds released early (<https://www.csc.gov.au/Members/Superannuation/Early-release>) if:

- you are in financial hardship; or
- your treating doctors consider you to be unlikely to work again in employment you are qualified for.

[Information about financial hardship](https://www.csc.gov.au/Members/Superannuation/Early-release) (<https://www.csc.gov.au/Members/Superannuation/Early-release>).

[Information about early release on medical grounds](https://www.csc.gov.au/Members/Superannuation/Early-release)

(<https://csc.sitecorecontenthub.cloud/api/public/content/1210fc76316e40a2b1336e72d32fa8e0?v=272f67bd>).

Preservation ages

Your preservation age is determined by your Date of Birth.

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 1963 - 30 June 1964	59
After 30 June 1964	60

How we calculate

Class A invalidity

If you are classified as Class A (incapacity of 60% or more), you will be entitled to:

- a CPI indexed Invalidation Benefit calculated from the lump sum value of the Employer Benefit that would have applied based on your Final Average Salary (FAS) on the date of your retirement. This is in addition to the Benefit Multiple you would have received had you remained in MilitarySuper until the age of 60, unless you hold a different compulsory retirement age for rank;

- less any accrued surcharge debt;
- a lump sum of your Member Benefit as at 30 June 1999 (your own contributions and interest up until that time); and
- your post-30 June 1999 Member Benefit, which remains preserved in MilitarySuper or a regulated superannuation fund of your choice until you reach your preservation age.

The Employer Benefit is paid as an indexed pension using the conversion factor of 11 (or higher factor if your compulsory retiring age for rank is less than 60). The Employer Benefit cannot be taken as a lump sum.

The Class A Invalidation Benefit is calculated on your actual service plus prospective membership to your compulsory retiring age, and uses the pension conversion factor applicable to your compulsory retiring age. The pension based on actual membership is calculated in the same way as a redundancy pension, using the pension conversion factor for the age at retirement. The Employer Benefit cannot be taken as a lump sum.

EXAMPLE

Calculation of Class A Invalidation Benefit

Private (PTE) Dawson joined the ADF at age 20, and retired on invalidity grounds at age 30. On retirement, he would be entitled to receive a lump sum of his 30 June 1999 Member Benefit, and his post 30 June 1999 Member Benefit would remain preserved either in MilitarySuper or a rollover fund. He would also be entitled to an immediate indexed Invalidation Benefit, based on his actual service (10 years) and his prospective service from age 30 to age 60 (30 years):

7 years	@ 18% = 1.26 x FAS
13 years	@ 23% = 2.99 x FAS
20 years	@ 28% = 5.60 x FAS

Total = 9.85 x FAS

PTE Dawson's Final Average Salary (FAS) was \$67,323, so his Employer Benefit would be:

$$9.85 \times \$67,323 = \$663,131.55$$

His compulsory retiring age is 60, so we divide the Employer Benefit by 11 (the age 60 conversion factor) to calculate his annual Invalidation Benefit.

$$\text{Annual Invalidation Benefit} = \$663,131.55 / 11 = \mathbf{\$60,284.69} \text{ gross per year.}$$

Class B

If you are classified as Class B (incapacity from 30% to 59% inclusive), you are entitled to:

- a CPI indexed pension of either half the Class A rate or the Invalidation Benefit calculated on your actual service up to the time of discharge, whichever is greater; less
- an adjustment to recover accrued surcharge debt; plus
- a lump sum of your Member Benefit as at 30 June 1999 (your own contributions and interest up until that time); and

- your post-30 June 1999 Member Benefit, which remains preserved in MilitarySuper or a regulated superannuation fund of your choice until you reach 60 or cease employment, or reach your preservation age and retire from the workforce.

EXAMPLE

Calculation of Class B Invalidity Benefit ✓

Sergeant (SGT) Collis was injured in a training accident. As a result of her injuries, she was retired from the ADF, and classified as Class B. She receives a lump sum refund of her 30 June 1999 Member Benefit, and her post-30 June 1999 Member Benefit is preserved. She must take her Employer Benefit as a pension.

To determine the amount of pension payable, we first calculate the notional Class A Invalidity Benefit, then divide that by two. We must then compare the result with the pension derived from her actual membership.

In SGT Collis' case, she joined the Navy at the age of 19 years and 160 days, and had served for 23 years at the time she was invalided out. Her FAS is \$82,190.

○ Her notional Class A Invalidity Employer Benefit is:

- **7 years @ 18%** = 1.26 x FAS
- **13 years @ 23%** = 2.99 x FAS
- **20 years @ 28%** = 5.6 x FAS
- **205/356.25 days @ 28%** = 0.15715264 x FAS

Total = 10.0071526 x \$82,190 = \$822,487.88

○ To translate that into a pension, we divide by 11 (the age 60 conversion factor):

Notional Class A pension

= \$822,487.88 / 11

= \$74,771.63 gross p.a

Divide the Class A pension by Two

= \$74,771.63 / 2

Class B pension = \$37,385.82 gross p.a

○ SGT Collis' pension based on actual service would be calculated as follows:

- **7 years @ 18%** = 1.26 x FAS
- **13 years @ 23%** = 2.99 x FAS
- **3 years @ 28%** = 0.84 x FAS
- **205/356.25 days @ 28%** = 0.15715264 x FAS

Total = 5.24715264 x \$82,190 = \$431,263.48

- To calculate her pension, we divide that by the pension conversion factor for her age at retirement (42 years).

Annual pension = $\$431,263.48 / 14.5123888 = \$29,716.92$ gross per annum

- Her pension based on actual service (\$29,716.92 gross p.a) is less than half her notional Class A Invalidity Benefit (\$74,771.63 gross p.a) so the larger amount becomes her Class B Invalidity Benefit (\$37,385.82 gross p.a).
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Class C

If you are classified Class C, there are no payments available to you until you reach the age of 55, meet a [Condition of Release](#) such as financial hardship, or become totally and permanently incapacitated.

Interaction with DVA incapacity payments

DVA provides compensation for service related conditions (injury or disease) causing incapacity in the form of [DVA incapacity payments \(https://www.dva.gov.au/financial-support/income-support/support-when-you-cannot-work/how-we-calculate-incapacity-payments\)](https://www.dva.gov.au/financial-support/income-support/support-when-you-cannot-work/how-we-calculate-incapacity-payments). DVA incapacity payments are offset (reduced) by Invalidity Benefit payments you receive from CSC.

CSC is required to provide information to DVA about any Invalidity Benefit you will be receiving. DVA needs this information to determine what your DVA payment will be and any arrears that might be owing for any overpayment.

For members who are approved for Invalidity Benefits retrospectively, it is common for DVA to recover overpayments from CSC arrears amounts.

Assessment process

If you are being medically transitioned from the ADF or have been approved for Retrospective Invalidity, CSC is required to determine your level of incapacity in relation to civilian employment. To do so, we are required to consider the following:

- your qualifications, skills and employment experience;
- the kinds of civilian employment a person with your skills, qualifications and experience might reasonably undertake (leaving aside the impairments);
- your retiring impairments—that is, the physical or mental impairment that led to your medical transition; and
- the degree that your retiring impairments have diminished your capacity to undertake the civilian employment kinds identified.

YOU WILL NOT BE ENTITLED TO AN INVALIDITY BENEFIT IF YOUR TRANSITION FROM THE ADF:

- Occurred within your first two years of service and was caused by, or substantially caused by, a condition that was present on entry and was not materially aggravated by your service.
- Was, in the opinion of Commonwealth Superannuation Corporation (CSC), a result of your wilful action to obtain an Invalidity Benefit.
- Was caused by or substantially caused by an injury which occurred while you were absent without leave for a period of more than 21 consecutive days, and your salary and allowances for that period had been forfeited under regulations made under the Defence Act 1903.

Degree of diminished capacity

We will take into account the degree to which your physical or mental impairment that caused the invalidity has diminished your capacity to undertake the roles you would be qualified for outside the ADF. This assessment will result in a classification of **A, B or C**.

To enable us to make an assessment we may, with your consent, source information from the ADF and Department of Veterans Affairs (DVA). We will also consider any information you wish to provide.

Complete a consent form (<https://csc-delivery.sitecorecontenthub.cloud/api/public/content/member-consent-form?v=633e108e>)

Invalidity classifications

Class A

Generally, Class A means you are severely impacted by your impairments and would be largely restricted working within relevant civilian employment. **Class A** is allocated where there is an incapacity to undertake civil employment kinds of 60% or more. Class A provides a **full Invalidity Benefit payment**.

Class B

Class B means you have the capacity for some relevant civilian work at the time of your transition, but suffer moderate incapacity. **Class B** is allocated where there is an incapacity to undertake civil employment kinds of 30—59%. Class B provides a **partial Invalidity Benefit payment**.

Class C

Class C means that you have been deemed as not fit for ADF duty, but have the capacity to work within your relevant civilian employment with minimal restriction. **Class C** is allocated where there is an incapacity to undertake civil employment kinds of 0—30%. There is no Invalidity Benefit payable following a Class C determination.

What we need from you

Your Case Manager may ask you to provide the following information:

- Personal identification to ensure we are communicating, making a decision for, and setting up payments (if applicable) for the right person. This is to protect you and your Invalidity Benefit. [Find out more about the identification requirements](https://csc.sitecorecontenthub.cloud/api/public/content/1c89d145483b4cc88150186ba445dd5c?v=536c8076) (<https://csc.sitecorecontenthub.cloud/api/public/content/1c89d145483b4cc88150186ba445dd5c?v=536c8076>).
- Contact details. These will ensure we can communicate with you when we need to.
- You may also provide independent specialist reports for injuries that caused your medical transition.
- Details of your employment history and qualifications.
- Your Invalidity Benefit elections and payment details so we can process Invalidity Benefits if they are due to you.
- Your consent. Access our [consent form](https://csc-delivery.sitecorecontenthub.cloud/api/public/content/member-consent-form?v=633e108e) (<https://csc-delivery.sitecorecontenthub.cloud/api/public/content/member-consent-form?v=633e108e>).
- We may require you to attend a medical examination, at CSC's expense, if we need more information.
- If we can't locate certain details in your available records, we may need to request further information from you. An example of this could be your pre-service employment history.

Information we collect and hold will be in accordance with [our privacy policy](https://www.csc.gov.au/Members/Privacy-policy) (<https://www.csc.gov.au/Members/Privacy-policy>).

Differences between CSC and DVA

CSC may provide superannuation Invalidity Benefit payments if you are unable to undertake civilian employment after serving in the ADF. DVA may provide compensation for service related conditions (injury or disease) causing incapacity, in the form of incapacity payments.

Read here for more on [DVA incapacity payments](https://www.dva.gov.au/financial-support/income-support/support-when-you-cannot-work/how-we-calculate-incapacity-payments) (<https://www.dva.gov.au/financial-support/income-support/support-when-you-cannot-work/how-we-calculate-incapacity-payments>).

NOTE

You don't need to provide anything now. Your Case Manager will explain the requirements during your consultation.

Draft classification

Your Case Manager will contact you to explain your draft classification decision before we finalise it, and if required, provide you with a copy for your records.

You can let your Case Manager know if you think we've missed something or you wish to provide further information.

Once we are ready to finalise your classification decision, we will provide you a formal Decision Notice in writing.

Interim benefits

You may be eligible to receive interim payments while you are awaiting the outcome of the Invalidity Classification process. To be eligible for interim payments:

- you must be discharged; and
- we must be satisfied that you are at least moderately incapacitated (at least 30%) for civilian employment based on the medical documentation available.

If you are approved for interim payments:

- they are paid at the Class B Invalidity Benefit rate;
- they are calculated from the time of discharge; and
- they are only payable from the date of CSC's decision (i.e. there is no back payment made from the time of discharge to the time of decision).

After transition

Ongoing correspondence

Check that your contact details remain up to date so you can receive important information from us, if applicable, including:

- biannual Consumer Price Index (CPI) statements and annual Pay as You Go (PAYG) payment summaries; and
- your Annual Statement.

Indexing of your Invalidity Benefit (Class A/B)

All Invalidity Benefits are indexed twice yearly, with effect from the first payday in January and July. This is based on any upward movement in the [Consumer Price Index \(CPI\)](#) (<https://www.csc.gov.au/Members/Retirement/Pensioners/CPI-rates-and-your-pension>) for the six months ending 31 March and 30 September each year.

If the CPI rises, Invalidity Benefits are increased, if the CPI falls, Invalidity Benefits will remain the same. The first CPI adjustment to an Invalidity Benefit is calculated as a proportion of the full amount. This means if you have been in receipt of your Invalidity Benefit for three months, the adjustment will be half of the full CPI amount for that six-month period.

We issue CPI statements in January and July each year showing the Invalidity Benefits applicable for the next six months. Taxation information is included with the July CPI Statements in the form of a Pay as You Go (PAYG) Payment Summary.

For more information on CPI rates, visit the [Australian Bureau of Statistics \(https://www.abs.gov.au\)](https://www.abs.gov.au).

Review and reclassification

If your circumstances change following an Invalidity Classification, you might want to consider a review of the classification. Changes that could lead to a review and possible reclassification include:

- If you re-gain employment in a role that is different to the employment kinds included as part of your original Invalidity Classification decision, or you undertake re-skilling or education that would allow you to gain different employment outside of these original employment kinds. Even when your medical conditions remain the same, your overall level of incapacity against all employment types may change as a result of re-skilling or new kinds of employment.
- If your medical conditions improve or get worse, this could mean your level of incapacity against your recognised employment kinds has also changed.

Reviews and potential reclassification are only available for members with an initial Invalidity Classification of Class A or B. If your initial classification was a Class C, you are unable to request a review, or be reviewed by CSC.

Required classification reviews

For MilitarySuper members, a review and possible reclassification process can be initiated by CSC or by you. Reclassifications can be at any time in the future up until you turn 65. Your classification cannot be downgraded past age 55.

When we conduct classification reviews, we consider employment kinds again to determine whether these have changed. Any available new medical evidence, before determining a degree of diminished capacity. Diminished capacity is the overall impact your impairments have on your ability to work in roles you are qualified for.

Example

A member was employed in the Infantry at the time of their transition from the ADF and as part of their Invalidity Classification decision is assigned an employment kind of Protective Service Officer. After service, this same member undertakes work in hospitality. As part of a CSC review, we consider the new employment the member has undertaken and their previous in-service roles, and assign them the employment kinds of both Protective Service Officer and Hospitality Worker. The impact of their retiring impairments is then assessed against both employment kinds as part of the review.

Tax and your Invalidity Benefit

Invalidity Benefits are subject to normal Pay as You Go (PAYG) tax deductions in the same way a salary is. We are required to withhold tax from your Invalidity Benefit in accordance with Australian Tax Office (ATO) guidelines. You may be eligible to receive tax concessions or offsets.

Disability Superannuation Benefit and tax offsets

If you meet the Disability Super Benefit (DSB) criteria, the impact on your Invalidity Benefit will depend on whether it is considered an income stream or lump sum for taxation purposes.

If your Invalidity Benefit is considered an income stream for tax purposes and you meet the DSB criteria, we'll apply the 15% tax offset on the taxable taxed component of your Invalidity Benefit while you're under the preservation age. This offset will reduce the amount of tax withheld from your fortnightly

payment. The reduction depends on the date provided in the medical reports, in conjunction with when payment of your Invalidation Benefit commenced.

If your Invalidation Benefit is considered a lump sum for tax purposes, and you meet the DSB criteria, this will usually result in a higher tax-free component for your lump sum.

To be eligible to have your Invalidation Benefit treated as a DSB for tax purposes, we require two medical reports from two qualified medical practitioners. These must include:

- the medical practice's letterhead, the Doctor's full name and the medical report completion date;
- the member's full name (including middle name, if applicable) and date of birth; and
- the wording, *It is my opinion that because of <first name's> ill-health, they are unlikely to ever be gainfully employed in a capacity for which they are reasonably qualified because of education, experience or training. This is from the onset date of DD/MM/YEAR.*

We are unable to cover the cost of any medical reports as part of this process.

○ Tax File Number

In accordance with the *Taxation Laws Amendment (Tax File Numbers) Act 1988*, we are required to withhold Pay as You Go (PAYG) tax at the top marginal rate, plus the Medicare levy, from Invalidation Benefits. If a person does not provide a Tax File Number (TFN), we are required to validate your TFN with the Australian Tax Office's records to confirm it is yours and is correct.

○ Tax File Number Declaration form

If you are eligible to claim an Invalidation Benefit, you need to lodge a Tax File Number (TFN) Declaration. The information you provide will determine how much tax will be deducted from your Invalidation Benefit.

○ ATO Super Division 293 Debt

If you have a Division 293 debt with the Australian Taxation Office (ATO), it will not be factored into your Invalidation Benefit estimate. This is because the debt is administered by the ATO, and the amount is not reported to us until you claim your Invalidation Benefit. This is not shown on your *Benefit Estimate—Invalidity Retirement*.

For more information, visit the [ATO](https://www.ato.gov.au/forms/tfn-declaration/). (<https://www.ato.gov.au/forms/tfn-declaration/>)

○ ATO Super Surcharge Debt

The Superannuation Contributions Surcharge was a tax on surchargeable super contributions, and was abolished from July 2005. It must be recovered when Invalidation Benefits are paid. This is not shown in a *Benefit Estimate—Invalidity Retirement*.

Any surcharge debt remaining at the time Invalidation Benefits are payable is normally recovered from the productivity lump sum. You can request that it instead be recovered from your commutation lump sum (if any), or Invalidation or Retirement Benefit (if you do not elect to commute on separation).

For more information, see our [factsheet](https://csc.sitecorecontenthub.cloud/api/public/content/61c5c42cc645424caf0ef8b0e71c3ec5?v=f0889c72). (<https://csc.sitecorecontenthub.cloud/api/public/content/61c5c42cc645424caf0ef8b0e71c3ec5?v=f0889c72>)

Retrospective Invalidity

What is a Retrospective Invalidity assessment?

Retrospective Invalidity assessment is the process of assessing a member's circumstances to determine whether grounds existed on which the member could have been medically transitioned from the ADF. This assessment is based on the medical conditions (injury or disease) of the member present at the date of transition from the ADF.

The guiding legislation for Retrospective Invalidity assessment is:

- Rule 30 of the *Military Superannuation and Benefits Act 1991*;
- Section 31A of the *Australian Defence Force Cover Act 2015*; and
- Section 37 of the *Defence Force Retirement and Death Benefits Act 1973*.

Considerations when applying for Retrospective Invalidity assessment

Transition reason

You cannot apply for Retrospective Invalidity assessment if you transitioned from the ADF on medical grounds and have already been assessed by CSC for Invalidity Benefits for the same period.

You can only apply once

If you have previously applied for, and been provided with a Retrospective Invalidity decision, you will not be eligible to apply for assessment for the same period again. You may however be eligible to [request reconsideration](#) of the decision.

Preserved Employer Benefit

MilitarySuper members must have a Preserved Employer Benefit to apply for a Retrospective Invalidity assessment.

For example, if you are in receipt of a MilitarySuper Pension Benefit or you have previously accessed a lump sum benefit, which included your entire Employer Benefit, you may not be eligible for a Retrospective Invalidity assessment.

Multiple periods of service

If you have provided service over multiple periods, you will need to advise CSC which period/s you would like to be assessed for Retrospective Invalidity. There are additional considerations if you have both MilitarySuper and ADF Cover accounts. You can discuss this further with your Case Manager.

○ Potential financial impact

- **DVA Payments**

If you are currently receiving or have previously received DVA payments, these payments may be reduced or ceased. DVA will recover overpayment from CSC arrears that result from a Retrospective Invalidation benefit payment. There may also be a debt recoverable by DVA from you directly if the arrears do not cover DVA's overpayment.

- **Centrelink and Child Support Agency**

There can also be Centrelink and/or Child Support Agency implications.

- **Tax**

You may be required to amend your tax returns from prior years, if approved for Retrospective Invalidation Benefits.

Members should consider seeking financial advice to better understand the potential financial impact of a Retrospective Invalidation application.

How do I apply for Retrospective Invalidation assessment?

There are two ways you can apply for Retrospective Invalidation:

1 Call us to register your request

A Case Manager will then be in contact with you to talk through the process and schedule a one-on-one consultation. During the consultation, your Case Manager will ask you questions about your claim and tell you what further information (if any) is needed. For this option, call **(02) 6192 9530**.

2 Complete the [A-RETRO application form](#)

(<https://csc.sitecorecontenthub.cloud/api/public/content/baf9b585367c4357a573477558b7v=1de3bc76>).

A Case Manager will then be in contact with you to offer you an optional one-on-one consultation.

For this option, email the completed A-Retro application form to formsandapplications@csc.gov.au (<mailto:formsandapplications@csc.gov.au>).

Regardless of which option you choose, you will need submit the following documents as part of the assessment process:

- [Member consent](https://csc.sitecorecontenthub.cloud/api/public/content/member-consent-form?v=f4955062) (<https://csc.sitecorecontenthub.cloud/api/public/content/member-consent-form?v=f4955062>);
- supporting medical reports for your conditions (injury or disease);
- your CV or a list of your employment history and qualifications;
- evidence from your employers/previous employers if your conditions (injury or disease) have impacted your post transition employment;
- identification (Driver's Licence (front and back) or current Australian Passport (or one which has expired within the last two years); and
- [TFN declaration](http://www.ato.gov.au/Forms/TFN-declaration/) (www.ato.gov.au/Forms/TFN-declaration/).

Note: We have recently changed the way members apply for Invalidation Benefits retrospectively. If you have already submitted an application form (A-Retro 10-20), there is no need for you to make a new application. We will process existing applications in due course.

Assessment process

To approve your application, CSC must be satisfied that grounds existed on which you could have been medically transitioned, considering all relevant circumstances.

In order to do this, we will assess all available evidence to confirm if a medical condition was present and causing you symptoms or restrictions at the time of your transition from the ADF. These conditions (injury or disease) do not need to be service-related.

We will usually need to access your ADF medical and personnel records from the time of your transition from the ADF as part of our assessment. We may also consider your file from DVA and/or Open Arms. We will need your consent to access your records and might ask you to complete a [Consent form](https://csc.sitecorecontenthub.cloud/api/public/content/member-consent-form?v=f4955062) (<https://csc.sitecorecontenthub.cloud/api/public/content/member-consent-form?v=f4955062>) if one has not already been provided.

We also accept medical evidence that has been obtained independently, at or around the date of transition or post transition, if it references your situation at the time of transition. This evidence should relate to diagnosed conditions (injury or disease) and indicate your medical situation and restrictions at the time of your transition.

In some circumstances, we may refer a Retrospective Invalidity application to the ADF's Joint Health Command (JHC). As part of our assessment, we will also source information from you relating to your employment and any qualifications gained post-transition as part of the assessment process. This will include any periods with the ADF reserves.

Invalidity Classification post Retrospective Invalidity approval

If CSC is satisfied that grounds existed and you are approved for Retrospective Invalidity, we will then assess your level of incapacity. Please note this is a different process and decision. During this assessment, you will be classified as either a Class A, Class B or Class C incapacity level.

If you are classified as Class A or Class B you will be entitled to an Invalidity Benefit. Applicants who are classified as Class C won't be entitled to an Invalidity Benefit. See [Assessment process](#).

How long will an assessment take?

We have seen a significant increase in members applying for Retrospective Invalidity and are experiencing delays in processing these. We will contact you once we are able to allocate your claim to a Case Manager and are ready to progress your application. Thank you for your patience.

Each Retrospective Invalidity assessment is unique, so the time taken to complete can vary considerably. Assessments can be lengthy due to the number of records we are required to review, and the time it can take to source additional evidence to support your application. Your Case Manager will keep you informed and contact you if further information is needed for the assessment.

Working with representatives and advocates

CSC has dedicated Case Managers to assist you through the Retrospective Application process, and you can also engage a support person. You **do not need to pay** a support person to represent you in the CSC Retrospective Invalidity claim process.

If you do choose to use a representative to assist you in the assessment process, you should notify us of their appointment by completing the [Third Party Authority](https://csc.sitecorecontenthub.cloud/api/public/content/ddf23a3106e94620b1ddde06a523ad5d?v=c49642aa) (<https://csc.sitecorecontenthub.cloud/api/public/content/ddf23a3106e94620b1ddde06a523ad5d?v=c49642aa>) form.

Differences between CSC and DVA

CSC provides superannuation Invalidity Benefit payments if you are unable to undertake civilian employment after serving in the ADF. DVA provides compensation for service-related conditions (injury or disease) causing incapacity in the form of incapacity payments.

CSC can only consider impairments that could have led to your medical transition, whereas DVA can consider other service related conditions (injury or disease). This may mean that a medical condition accepted by DVA for incapacity payments may not be included in a CSC assessment for Invalidity Benefit payments.

DVA claim on arrears payments

If you are approved for Retrospective Invalidity and classified as either Class A or Class B, CSC notifies DVA of the assessment outcome so DVA can determine if they have any claim on your arrears. DVA incapacity payments are offset (reduced) by superannuation payments you receive through CSC.

More information on [DVA incapacity payments](https://www.dva.gov.au/financial-support/income-support/support-when-you-cannot-work/how-we-calculate-incapacity-payments) (<https://www.dva.gov.au/financial-support/income-support/support-when-you-cannot-work/how-we-calculate-incapacity-payments>).

If you have been in receipt of incapacity payments from DVA and are later paid Invalidity Benefits retrospectively from CSC for the same period, you will have an overpayment of incapacity payments. This happens because the offset (reduction) was not applied to the DVA incapacity payments at the time you were receiving them.

DVA will recover any overpayment directly from your Invalidity Benefit arrears payment, before any payment is made to you. CSC will release the relevant amount from the Invalidity Benefit arrears directly to DVA prior to releasing the remainder, if any, to you. If the arrears payment isn't enough to repay the whole amount of the overpayment, you may have an outstanding debt with DVA. DVA will need to negotiate a recovery plan with you to repay this debt.

RETROSPECTIVE INVALIDITY

John's example



This is an example and doesn't take into account individual circumstances that might apply to a claim.

John transitioned from the Army on 1 March 2004. He has been suffering health issues since his exit. John was approved for DVA incapacity payments in 2007. He's still receiving these payments.

John applies for Retrospective Invalidity in 2020. CSC makes a decision under legislation that John could have separated from the Army under medical grounds. Based on John's medical evidence, he's

assessed as Class A, and is entitled to a gross annual pension of \$48,878.18 backdated to his separation in 2004. His gross pension arrears are calculated as **\$1,010,326.79** for the period 2004 to 2020.

The pension arrears are taxed in line with ATO requirements, leaving a net amount of **\$423,500**. CSC then advises DVA of John's net pension arrears and the fortnightly Invalidity Benefit payment information.

DVA advises CSC they are claiming the whole amount of John's net arrears to offset the incapacity payments that DVA has already paid. CSC makes the payment to DVA. DVA advises John that there is a further debt as the CSC payment arrears do not cover the whole amount owing to DVA. John's DVA incapacity payments going forward are reduced by the amount of the superannuation payments by CSC.

Tax implications

CSC withholds tax according to ATO requirements. You should be aware that any recovery against your arrears by DVA will be a gross amount and this might mean that your CSC arrears does not cover the whole amount due to DVA. You should discuss any implications with DVA and/or a financial adviser relating to your arrears recovery.

Tax changes to Invalidity pensions

(<https://www.csc.gov.au/Members/Retirement/Pensioners/Tax-Changes-to-Invalidity-Pensions>)

Financial planning

Before proceeding with a Retrospective Invalidity application, you may wish to consider the financial implications of this decision or access [financial advice \(https://www.csc.gov.au/Members/Advice-and-resources/Financial-planning\)](https://www.csc.gov.au/Members/Advice-and-resources/Financial-planning). If you require financial advice, CSC's authorised Financial Planners* provide a personal financial advice service. It is a 'fee for service' advice, which means you receive a fixed quote upfront. There are no obligations, commissions or hidden fees.

To make an appointment with a Financial Planner call **1300 277 777** or visit [Financial planning \(https://www.csc.gov.au/Members/Advice-and-resources/Financial-planning\)](https://www.csc.gov.au/Members/Advice-and-resources/Financial-planning).

*CSC Financial Planners are authorised to provide financial advice by Guideway Financial Services (ABN 46 156 498 538, AFSL 420367). Guideway is a licensed financial services business providing CSC Financial Planners with support to provide members with specialist personalised financial advice, and strategies.

Appeals and complaints

Appealing a decision

If you are dissatisfied with a decision made by CSC, you can request reconsideration of the decision by completing an [Application for Reconsideration of a Decision \(https://csc.sitecorecontenthub.cloud/api/public/content/78bf14ee56e04dbd85d8481a8c9a2e7d?v=70edf8ef\)](https://csc.sitecorecontenthub.cloud/api/public/content/78bf14ee56e04dbd85d8481a8c9a2e7d?v=70edf8ef).

You have 30 days from the date you receive a decision to submit your request for reconsideration. It is important that you send a copy of, or otherwise refer to, the decision you are seeking reconsideration of and let us know why you do not agree with the decision.

Once you have made your initial request to have the decision reconsidered, extra time will be allowed for you to submit any further evidence you would like considered. The original decision remains effective, pending resolution of your request.

You will be assigned a Reconsiderations Case Officer who will conduct a thorough and independent investigation of the decision. Your Case Officer will invite you to provide any additional documentary evidence to support your request, if necessary. On rare occasions, CSC may send you for a medical examination.

Once the investigation is complete, your matter will be referred to the Military Superannuation and Benefits Committee (the Committee) for reconsideration of the decision. You will be advised of the Committee's decision and supplied with a copy of the reasons for the decision once the Committee has reconsidered your case.

Read more for [further information about the appeals process](https://csc.sitecorecontenthub.cloud/api/public/content/78bf14ee56e04dbd85d8481a8c9a2e7d?v=70edf8ef) (<https://csc.sitecorecontenthub.cloud/api/public/content/78bf14ee56e04dbd85d8481a8c9a2e7d?v=70edf8ef>).

Making a complaint

If you are dissatisfied with how your claim has been handled, we encourage you to talk to us. Contact your Case Manager to start this process.

Alternatively, you can make a formal complaint or provide feedback.

Making a complaint (<https://www.csc.gov.au/Members/Feedback>)

Further options

If you disagree with either your reconsideration decision or your complaint response, you may refer the issue to the Australian Financial Complaints Authority (AFCA). AFCA is an independent dispute resolution body established by the Australian Government to deal with complaints about superannuation.

For more information, [visit AFCA \(https://www.afca.org.au/\)](https://www.afca.org.au/) or call **1800931678**.

**INVALIDITY BENEFITS WITH
MILITARYSUPER**

Understanding your cover

As a MilitarySuper member you receive Death and Invalidity benefits, covering you if you become seriously sick or injured, and providing Death benefits if you die.

Understanding your MilitarySuper benefit
(<https://www.csc.gov.au/Members/Funds-and-products/MilitarySuper>)

Scheme ABN, RSE and USI information

CSS

ABN: 19 415 776 361
RSE: R1004649

PSSAP

ABN: 65 127 917 725
RSE: R1004601
USI: 65127917725001

ADF SUPER

ABN: 90 302 247 344
RSE: R1077063
USI: 90302247344001

PSS

ABN: 74 172 177 893
RSE: R1004595

DFRDB

ABN: 39 798 362 763

MILITARY SUPER

ABN: 50 925 523 120
RSE: R1000306

ADF COVER

ABN: 64 250 674 722

CSCRI

ABN: 65 127 917 725
RSE: R1004601

General advice

Any financial product advice on this website 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 adviser. You should obtain a copy of the relevant Product Disclosure Statement and consider its contents before making any decision regarding your super. Commonwealth Superannuation Corporation (CSC). ABN 48 882 817 243 AFSL 238069 RSE Licence No: L0001397.

Target Market Determination

To ensure that CSC is keeping customers at the centre of our approach to the design and distribution of our products, a Target Market Determination (TMD) (<https://www.csc.gov.au/Members/About-CSC/Corporate-governance/target-market-determination>) has been made for ADF Super, PSSap and CSCri. A TMD describes the types of customers a financial product is appropriate for, based on their likely needs, objectives and financial situation (target market), and it establishes the conditions and restrictions in relation to how the product can be distributed to customers. The TMD also describes our reporting requirements, and events or circumstances where we may need to review the TMD.

Supported browsers

Our website and portal work best if your computer or device meets these minimum specifications (<https://www.csc.gov.au/Supported-browsers>) .