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Retrenchment/Redundancy

I've been made redundant. What happens to my super?

If you are made redundant, and you are not eligible to receive retirement pay from the DFRDB Scheme, you will receive a lump sum refund of the contributions you have paid into the Scheme, plus a superannuation guarantee top-up, and a gratuity (a sum of money that is paid to some members in the form of a one-off bonus).

In limited circumstances only, you may be eligible to preserve your benefit. The DFRDB Preserved Benefits leaflet and the **About Your Scheme** book, which are available online on dfrdb.gov.au or in hard copy by telephoning **1300 001 677**, provide further information on preservation.

If you are an officer and you are made redundant, you will be exempt from the compulsory retiring age provisions – that is, the reduction of your retirement by 3% for each year you are below your compulsory retiring age (see table) will not apply.

Rank	Compulsory retiring age
Major (or equivalent) and below	42
Lieutenant Colonel (or equivalent)	45
Colonel and Brigadier (or equivalent)	50
Major General (or equivalent)	52
Lieutenant General and General (or equivalent)	55

What about commutation?

If you are made redundant and are entitled to retirement pay (that is, you have 20 or more years of effective service, or have 15 or more years of effective service and have reached the compulsory retiring age for your rank), you have the option to commute part of your future retirement pay to a lump sum. An election to commute must be made within six months of your discharge.

Retirement pay becomes payable on the day after the date of your discharge from the ADF, and it will be paid to you fortnightly for the rest of your life.

When will I be paid my productivity benefit?

If you have reached your preservation age (see table overleaf) and will not be working again, your productivity benefit, which is contributed by the Department of Defence, will be paid to you as a lump sum; otherwise it must be preserved in a rollover fund.

Date of birth	Preservation age
Before 1/7/1960	55
1/7/1960 – 30/6/1961	56
1/7/1961 – 30/6/1962	57
1/7/1962 – 30/6/1963	58
1/7/1963 – 30/6/1964	59
After 30/6/1964	60

What if I have a surcharge debt?

Any surcharge debt remaining at the time benefits are payable is normally recovered from the productivity lump sum, but where you are eligible for retirement pay you can request that it be recovered from retirement pay or commutation (if any) instead. The DFRDB Superannuation Contributions Surcharge leaflet, which is available online on **dfrdb.gov.au** or in hard copy by telephoning **1300 001 677**, provides further information on the surcharge process.

Where can I find out more about retirement benefits?

Further detail is provided in the DFRDB **Retirement Benefits** factsheet, which is available online at **dfrdb.gov.au** or in hard copy by telephoning **1300 001 677**.

If you need more information...

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