



Australian Government
Department of Veterans' Affairs

Businessline

Action Required: Delegates to *read and apply the amended policy at section 9.4.1 of the Incapacity Policy Manual*

To:

Client Benefits Division (CBD) Business Improvement for distribution to CBD delegates

For information:

Secretary
Deputy President
Deputy Secretaries
First Assistant Secretaries
Deputy Commissioners

SUBJECT: METHOD TO ESTABLISH THE COMMONWEALTH-FUNDED PORTION OF SUPERANNUATION AMOUNTS RECEIVED FROM FUNDS OTHER THAN THE COMMONWEALTH SUPERANNUATION CORPORATION

Purpose: To inform incapacity payment delegates of a clarification of current policy that will apply where a veteran receives a Commonwealth-funded superannuation payment from a fund other than those administered by the Commonwealth Superannuation Corporation (CSC).

Key Points:

- The policy on how to establish the Commonwealth-funded portion of superannuation received from a fund other than those administered by CSC has been updated.
- Delegates should read and apply amended policy at section [9.4.1 of the Incapacity Policy Manual](#).
- The relevant procedures and forms are contained in CLIK – Compensation claims procedures - Incapacity Procedures - [Commonwealth Superannuation Corporation \(CSC\) clearance and assessing incapacity payments](#).

Background:

Where a veteran in receipt of incapacity payments under the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA) or the *Military Rehabilitation and Compensation Act 2004* (MRCA) receives Commonwealth-funded superannuation (pension, lump sum, or both), in general the DRCA and the MRCA require that incapacity payments are reduced by the Commonwealth-funded contribution of the superannuation benefit paid to the veteran. This is a dollar-for-dollar reduction and applies to both invalidity superannuation pension and retirement superannuation pensions. The superannuation reduction provisions ensure that the Commonwealth is not duplicating payments for an inability to work.

In the past Australian Defence Force (ADF) members (while serving) have been limited to only those superannuation funds managed by the Commonwealth Superannuation Corporation such as DFRDB, MSBS and ADF Super. From 1 July 2016, ADF members have had the ability to choose to have their Commonwealth-funded superannuation credited to any fund, not only those administered by CSC.

Once a veteran has transitioned out of the ADF, they can roll-over preserved Commonwealth-funded superannuation from a CSC fund into another (non CSC) fund and may continue to contribute to that fund via civilian employment of additional personal contributions. These additional contributions post transition are not Commonwealth-funded and are therefore not taken into account in the calculation of incapacity payments.

The new policy in CLIK explains how to establish the Commonwealth portion of a superannuation benefit received from schemes other than those administered by CSC.

Action required

For any cases that have previously been identified and all cases moving forward where a person has received a Commonwealth-funded superannuation payment from a fund other than those administered by the CSC, can now be actioned using the Questionnaire located in Compensation Claims Support Site, Calculators, Tools and Forms – All, Incapacity - [T-46 Questionnaire - Commonwealth funded superannuation amounts from non-CSC funds](#) (CM9# 23510169E).. The full policy and procedures are detailed in [Chapter 9.4.1 of the Incapacity Policy Manual](#) in CLIK, and the Incapacity Procedures Manual.



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