Defined Benefit pension indexation: Division CF

Once you begin a pension from Division CF, your annual pension entitlements change on 1 October each year in line with movements in inflation, as measured by the Consumer Price Index.

Measuring inflation

Consumer Price Index (CPI) figures are published by the Australian Bureau of Statistics (ABS), based on the prices of a wide range of goods and services that broadly represents what Australians spend their money on – this is known as the 'CPI basket'. CPI includes things such as housing, household equipment and services, food and beverages, transport, health, clothing, communication, recreation, financial services, and education. The change in cost of the CPI basket provides an inflation index.

Under Division CF rules, we calculate pension changes using the *All Groups CPI Index Numbers: Sydney Index* figures published by the ABS for June of each year. Figures for this Index for the last five years are provided below – please keep in mind that historical inflation rates may not be a reliable indicator of future changes.

	Index	Percentage change in CPI from previous period
June 2020	114.7	-1.0%[1]
June 2021	119.4	3.0%[2]
June 2022	125.7	5.3%
June 2023	134.0	6.6%
June 2024	**139.1**	**3.8%**

Source: ABS 6401.0 – June 2024, www.abs.gov.au.

Calculating your pension indexation

In the first year, your pension is indexed at 1 October using a proportion of the CPI index based on when your pension began.

An example of this pro-rata indexation calculation is shown in the following table, based on indexation occurring on 1 October 2025:

Pension start date	How indexation rate applies
On/before 30 June 2023	Full indexation rate in Oct 2024.
1 Jul 2023 – 30 Sep 2023	Three-quarters of rate in Oct 2024, then full rate from Oct 2025.
1 Oct 2023 – 31 Dec 2023	Half of rate in Oct 2024, then full rate from Oct 2025.
1 Jan 2024 – 31 Mar 2024	One-quarter of rate in Oct 2024, then full rate from Oct 2025.
1 Apr 2024 – 30 Jun 2024	No indexation in Oct 2024, then full rate from Oct 2025.
1 Jul 2024 – 30 Sep 2024	No indexation in Oct 2024, three-quarters of rate in Oct 2025, then full rate from Oct 2026.

1 Under Division CF rules, pensions would ordinarily be reduced if indexation is negative. However, we have agreed with the Commonwealth Bank (as the fund's principal employer) and the fund actuary that pensions will remain at the same amount in the event of a negative indexation rate, i.e. effectively an indexation rate of 0%.
2 Calaculated as the percentage change in CPI from the last period in which indexation applied, i.e. from June 2019 to 30 June 2021.

Find out more or log in at **oursuperfund.com.au**

Call **1800 023 928** 8am–7pm, Mon–Fri

Post to **GPO Box 4303, Melbourne VIC 3001**

Issued on 8 October 2024 by Commonwealth Bank Officers Superannuation Corporation Pty Limited (the trustee) (ABN 76 074 519 798, AFSL 246418), the trustee of Commonwealth Bank Group Super (the fund) (ABN 24 248 426 878).

The following table is an example of how we use the CPI indexation figures to calculate changes to your pension payments over several years. The example includes partial indexation in the first year of your pension and then normal indexation for subsequent years.

If CPI movement is **negative** for any period, as was the case in June 2020, ordinarily pensions would be reduced accordingly. However, we have agreed with the Commonwealth Bank and the fund's actuary that pensions will **not** be reduced in these circumstances and will remain the same as the previous year. Any future indexation, when CPI movement is positive, is calculated based on the change in CPI from the last period in which indexation applied, rather than from the figure that represented the negative rate (included in the example below).

General advice warning about using or relying on this information

The information is general information only and does not take into account your individual objectives, financial situation or needs. You should consider the information and its appropriateness, having regard to your own objectives, financial situation and needs, before making any decisions. You should seek professional financial advice tailored to your personal circumstances from an authorised financial adviser.

Example of how CPI is used to index pension payments over several years

Please note that CPI figures for March 2025 and March 2026 are **sample** figures only to show how the indexation process is applied – they are **not** actual (or predicted) indexation figures.

Indexation date	How indexation is calculated	New payment amount (rounded to nearest dollar)
24 February 2023 (pension start date)	CPI Index for June 2022 = 125.7, although no indexation is applied at this time.	Starting pension from the first pay date: = **$650** per fortnight
At 1 October 2023	CPI Index for June 2023 = 134. Indexation based on the change from June 2022: = (134 – 125.7) ÷ 125.7 = 0.066 (or **6.6%**)	Pension from 1 October 2023: = Current payment + partial (one-quarter) indexation based on pension start date of February 2023: = $650 + [(25% x 6.6%) x $650] = $650 + $11 = **$661** per fortnight
At 1 October 2024	CPI Index for June 2024 = 139.1. Indexation is based on the change from June 2023: = (139.1 – 134) ÷ 134 = 0.038 (or **3.8%**)	Pension from 1 October 2024: = Current payment + full indexed amount: = $661+ [3.8% x $661] = $661 + $26 = **$687** per fortnight
The following rows give an example of what happens to your pension payments if indexation is negative during a period.		
At 1 October 2025	CPI Index for June 2025 = 137.8 Indexation is based on the change from June 2024: = (137.8 – 139.1) ÷ 139.1 = -0.009 (or **-0.9%**)	Pension from 1 October 2025: = Remains at current payment – no indexation applied as 2025 indexation rate is negative. = **$687** per fortnight
At 1 October 2026	CPI Index for June 2026 = 141.6. Because the 2025 indexation rate was negative, the 2026 indexation is based on the change from the last period that indexation was applied, which was October 2024: = (141.6 – 139.1) ÷ 139.1 = 0.018 (or **1.8%**)	Pension from 1 October 2026: = Current payment + indexed amount = $687 + (1.8% x $687) = $687 + $13 = **$700** per fortnight

Find out more or log in at **oursuperfund.com.au**

Call **1800 023 928** 8am–7pm, Mon–Fri

Post to **GPO Box 4303, Melbourne VIC 3001**