

ACCESS TO SUPER



TEMPORARY EARLY ACCESS TO SUPERANNUATION

Soon you will be allowed to temporary access your superannuation early.

The Government has proposed this to be effective from: 2019-20 and first quarter (approx.) 2020-21. Applications will be available from mid April 2020.

The Government recognises that immediate financial necessities may temporarily outweigh the stated-purpose of superannuation as a retirement savings vehicle and will temporarily allow additional early access to super savings in prescribed circumstances.

PEOPLE WHO MEET THE BELOW CRITERIA WILL BE ALLOWED TO ACCESS THEIR SUPER:

- Up to \$10,000 of their super before 1 July 2020, and
- Up to an additional \$10,000 in the three months starting from 1 July 2020 (time frame is approximated subject to legislation).

Amounts released under these rules will be paid tax-free and will not affect Centrelink or DVA payments.

Individuals eligible to apply for early release include:

- Those who are unemployed; or
- Those eligible to receive Job seeker Payment, equivalent Youth Allowance, Parenting Payment, Special Benefit or Farm Household Allowance; or
- Those who on or after 1 January 2020:
 - Were made redundant; or
 - Had their working hours reduced by 20% or more; or
 - As a sole trader, their business was suspended or turnover decreased by at least 20%

Those eligible must apply to the ATO through the MyGov website and must self-certify that they meet the above requirements. The ATO will then process the application and issue a Determination to the applicant and their super fund. The super fund will be able to then pay the applicant directly. Those eligible will only be allowed one withdrawal application in each period (i.e. cannot 'top-up' by making a second request if an original withdrawal for less than \$10,000 was made).

Applications for early release of super under this measure are expected to commence from mid-April 2020, approval and benefit payment time frames have not been announced at the time of writing. Early release of super benefits under this measure will also be available to members of SMSFs. Accessing super benefits in times of market down-turns is usually not recommended as it may crystallise losses. However members who experience loss of employment or a significant decrease in income may find this measure provides immediate financial relief and the basis to re-build.
