

Client Focused Financial Planning
Targeting Your Today and Tomorrow

KnowHow

Early access to your super – coronavirus

1 April 2020

A number of measures have been put in place to support Australians in response to the Coronavirus. This includes broadening early access to superannuation savings under compassionate ground - coronavirus.

Am I eligible to access my super under compassionate ground - coronavirus?

To be eligible, you must meet one of the following conditions at the date you apply:

- you're unemployed
- you're eligible to receive Jobseeker Payment, Youth Allowance (jobseekers), Parenting Payment, Special Benefit or Farm Household Allowance
- on or after 1 January 2020, you were made redundant, your hours of work reduced by at least 20%, or if you're a *sole trader*, your business was suspended or your turnover reduced by at least 20%.

You'll also be able to make a withdrawal where you're an employee of your own company or family trust and your working hours have decreased by at least 20%.

How much can I access under this measure?

If eligible, you're able to access:

- up to \$10,000 before 30 June 2020, and
- an additional \$10,000 from 1 July to 24 September 2020.

You're also able to nominate how much you'd like (up to the \$10,000 limit) and if you have multiple funds, you can also nominate more than one fund from which to draw this amount (up to a maximum of \$10,000 in total).

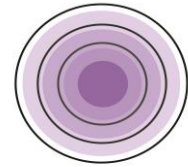
For each \$10,000, only one application must be made in each time period. Once it has been made it also cannot be varied. This means that if the amount nominated is less than \$10,000 you cannot:

- make a subsequent application to top-up that amount within the same period, and
- request a larger amount in the subsequent period.

For example, if you only apply for release of \$8,000 in the 2019/20 financial year, it is not possible to make a second application to top up this amount in the same financial year. You also can't rollover the additional amount to access next financial year. The only additional amount you could withdraw will be up to \$10,000 to be taken between 1 July and 24 September 2020.

How do I apply?

Applications are made directly to the Australian Taxation Office (ATO) from 20 April 2020. You do not apply to your super fund. The application can be made online through MyGov and this is the preferred approach by the ATO. If you do not have access to MyGov, you are able to apply by calling the ATO and applying over the phone.



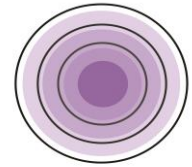
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Applications for the 2019/20 financial year need to be lodged by 30 June 2020. A second separate application for 2020/21 financial year can be made from 1 July 2020 until 24 September 2020. It is important that applications are received before the cut-off dates even though the actual payment may occur after that time.

Once you have made an application, it cannot be varied. The ATO may allow you to revoke an application due to genuine error or mistake. The ATO would consider individual circumstances to make this assessment.

Application process – things you need to do

Actions	Details
Establish a MyGov account with the ATO (unless you already have this)	<p>Instructions for setting up your account is available on my.gov.au. Read the instructions and ensure you have the necessary information that support establishing the account. Once in MyGov, it is then necessary to set up with the ATO.</p> <p>If you are unable to set up an account, you can apply over the phone.</p>
How much to withdraw?	<p>Decide how much you wish to withdraw in relation to the application up to the maximum amount of \$10,000.</p>
Nominate which super fund	<p>The ATO will provide a list of available super funds that you can elect to have the amount released. Nominate which fund or funds and the amount from each. You can nominate more than one fund to make a withdrawal from but the total cannot exceed \$10,000.</p> <p>The account balance shown for this list of funds is as at 30 June 2019 and may be different to the current account balance (particularly due to recent market movements). However, you cannot nominate a super amount that is held by the ATO (see below).</p>
Bank account details	<p>The ATO will request bank account details that the payment will be directed. This needs to be provided and does not rely on any bank account details that the ATO already holds.</p>
Declaration	<p>The ATO will ask you to make a declaration that you are eligible (see above) to receive the payment. Before you provide this declaration, the ATO provides a warning if a false declaration is made and that penalties may apply.</p>
Receive ATO determination	<p>With all the necessary information, the ATO will make a determination. This includes checking that you have not previously lodged an application for the same period. If successful, the determination will be sent to yourself and directly to the nominated superannuation fund(s).</p>



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ATO-held superannuation

The ATO may hold some of your super as amounts have been transferred because:

- the account is a small (<\$6,000) lost member account
- the account is an inactive low-balance account, or
- you are considered a lost member account.

ATO-held superannuation cannot be nominated on the application to be paid under the compassionate ground – coronavirus. If you wish to withdraw this amount, you will need to rollover first to a super fund then submit your application nominating that fund. The rollover request can be done via MyGov or calling the ATO, including nominating the superannuation account for the funds to be transferred.

Payment from your superannuation fund

Your super fund will receive the determination directly from the ATO which includes your nominated bank account. There is no need for you to contact your super fund to request the payment, as instructions have already been provided by the ATO. Your super fund is required to make the payment to you as soon as possible.

Taxation and social security issues

The payment from your super fund is tax-free. You also do not need to include the amount in your tax return which means your super fund will not provide you with a PAYG summary. For social security purposes, the actual withdrawal will not impact your entitlement. However, if you place the funds in a bank account or other assessable asset, it will be assessed under the income and assets tests which may impact your entitlement. It is important to notify Services Australia or Department of Veterans' Affairs of any change in your circumstances that could impact your payment within 14 days.

Can I access any more funds from my superannuation?

Early access to superannuation may be granted under:

- severe financial hardship, and/or
- compassionate grounds.

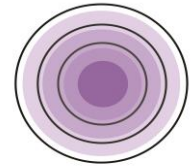
These measures are separate to the compassionate ground – coronavirus outlined above. It means that if you're eligible, you could access additional amounts from your super funds. However, these measures have their own eligibility criteria. Speak to your financial adviser if you wish to discuss your ability to access your super under these other provisions.

Next steps

For more information, speak to your financial adviser or visit the ATO website (www.ato.gov.au).

Important information

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