

Access your Defined Benefit



Super is all about saving for retirement, so there are regulations about how and when you can access it.

This information is for members in the Quadrant Defined Benefits fund, the Hobart City Council (HCC) Defined Benefits fund and the Launceston City Council (LCC) Defined Benefits fund.



Our Defined Benefit funds are closed to new members. If you leave the Defined Benefit fund, you won't be able to rejoin later.

This fact sheet provides information about:

- your options when you leave the Defined Benefit fund
- when you can access your Defined Benefit savings

Leaving the Defined Benefit fund

You must leave the Defined Benefit fund if you:

- leave the employer that contributes to your Defined Benefit account
- retire from the workforce or
- reach the Defined Benefit fund's 'normal retirement age' (even if you're still working).

Fund	Normal retirement age ¹
Quadrant Defined Benefit fund	65
LCC Defined Benefit fund	65
HCC Defined Benefit fund	62

¹An early retirement age may be available. However, conditions apply so contact us for more information.

You can choose to leave your Defined Benefit fund at any time. However, keep in mind our Defined Benefit fund is closed to new members. If you leave, you won't be able to rejoin later.

Leaving the Defined Benefit fund may also impact your final withdrawal benefit. Always get expert advice before making a decision to leave a Defined Benefit fund.



Leaving a Defined Benefit fund doesn't automatically mean you can access your super savings. You must also meet a condition of release.

If you leave the Defined Benefit fund before you can access your super, you can either:

- transfer your benefits to a CareSuper account and invest it in one or more of our investment options
- transfer your benefits to another super fund

Accessing your super

You can generally access your super when you:

- turn 65 (even if you're still working)
- are between 60 and 65 and are permanently retired
- stop working for an employer after turning 60, even if you're still working for another employer
- are between 60 and 65 and start a transition to retirement strategy while still working

These are called 'conditions of release'.



The age you can access your super isn't the same age you can access the Age Pension.

Accessing your super early

While most people wait until retirement to access their super, there are times when you may need to access it sooner.

This includes if you:

- experience severe financial hardship
- meet certain compassionate grounds
- have a terminal medical condition
- suffer permanent incapacity
- suffer temporary incapacity (in this case, you may be able to access an insured benefit only, if you have Income Protection cover and are eligible for the benefit)
- are a temporary resident departing Australia
- have a super balance under \$200 and have stopped working for an employer
- are using the First home super saver scheme

Penalties apply if you illegally withdraw your super early.

For details, read our *Early access to your super* fact sheet.



Accessing super early means less super for your retirement. Regardless of how and when you access your super, you should get advice from a licensed financial adviser first.

How can I access my Defined Benefit?

Depending on your circumstances, you may be able to:

- access your super as a cash payment
- transfer your benefits to a CareSuper super account and invest it in one or more of our investment options – any insurance cover you have in your Defined Benefit will be converted to fixed cover and transferred to your new super account
- turn your benefits into an income stream with our retirement products
- transfer your benefits to another super fund

Your options may differ depending on whether you're retiring permanently or starting a new job. Call us on **1800 005 166** for more information.

How are my benefits calculated?

How your benefit is calculated will depend on which Defined Benefit scheme you're part of, your age, and other circumstances, such as your years of service and average salary.

For details, read our *Defined Benefits guide*.

Before you apply to access your super

There are some important things you should consider before applying to access your super.

- If you access your super early, you may have less money in retirement.
- Any insurance through your super account will be cancelled if you close your account.
- You may have to pay tax on your withdrawal, depending on your circumstances.
- If you want to claim a tax deduction or split your contributions with your spouse, do this before withdrawing all or part of your super. These options aren't available or will be limited for contributions you've withdrawn from CareSuper.
- Releasing super early may count towards your assessable income for income tax purposes. This can affect child support, family tax benefit and any government income support (if applicable).



Seek advice

You should seek advice from a financial adviser to confirm if withdrawing your super will have any tax implications, and how it could affect any government income payments you may receive. If you're under 60, you may have to pay tax.

Tax on withdrawals

Super accounts are made up of a tax-free component and a taxable component.

- The tax-free component will generally be paid out to you (or your beneficiaries) without tax being applied or withheld.
- The taxable component may have tax applied or withheld depending on your age and how the payment is made.

When you access super, the amount withdrawn is paid proportionately from both components (you can't choose which component your withdrawal is paid from).

You can check your tax components for your balance in **Member Online** or by contacting us. These amounts are also shown in your annual member statement.

If you're 60 and over

- Super withdrawals are generally tax-free.
- You don't need to declare these amounts as assessable income when you lodge a tax return.

If you're under 60

- You may need to pay tax when you draw money out of your account.
- Tax may apply to the taxable component of your withdrawals with a taxed element. This will be taxed at your marginal tax rate plus the Medicare levy or 22% (including the Medicare levy), whichever is lower. We'll withhold 22% at the time of the payment. If your marginal tax rate is lower, you may get some of this tax back when you lodge your personal income tax return. Taxes are generally withheld from your payment before you receive it.

In the case of compassionate grounds applications, the ATO will approve a net amount that we can pay to you. If tax needs to be paid, we'll gross up the payment amount for any applicable tax. This means the amount we withdraw from your account will be greater than the approved net amount if necessary, to account for the tax that needs to be paid.

If your benefit includes an untaxed element (such as insurance proceeds), a higher tax rate may apply. Higher tax rates will apply if you access your super as a departing temporary resident.

You may pay less tax if you access your super due to permanent disablement or terminal medical condition.

For more information about tax, read our *Defined Benefits guide*.

How to access your Defined Benefit

Fill out a *Withdraw from your Defined Benefit* form. It's available at caresuper.com.au/forms.

You'll need to do this if you're:

- withdrawing your benefit
- converting your benefit into a CareSuper super account
- transferring your benefit to another fund

How long will it take?

Withdrawal time frames depend on if you're making a full or partial withdrawal. In some cases, such as full withdrawals, we'll need to confirm information with your employer and receive your final contributions before we can process your withdrawal.

Withdrawal type	Service standards
Part withdrawal	Generally, three days once all the required information is received.
Full withdrawal	<p>Full withdrawals can take significantly longer as we'll need to confirm information with your employer and receive final employer contributions before processing your withdrawal.</p> <p>This may take up to three weeks, depending on how long it takes for your employer to complete these steps. If an Actuary needs to be involved in calculating your benefit, it may take longer.</p> <p>Once all required information has been received, it generally takes 3-5 days to process the withdrawal.</p>
Early access to super	Longer assessment time frames apply if you're seeking to access your super early.



Need help?

We're here to help you make the most of your super. You can access general information, education, and personal advice about your CareSuper account at no extra cost.

If you need advice on your entire financial situation or have more complex needs, we can assist with that too. There might be an additional cost, but we'll explain any fees upfront, and you'll only pay for the services you agree to.

For more details, visit caresuper.com.au/advice.

 All our forms and publications are available at caresuper.com.au/forms-publications or call us, and we'll send you a copy.

Here to help

1800 005 166 (+61 3 7042 2723 if overseas)
caresuper.com.au

 info@caresuper.com.au  GPO Box 1547 Hobart TAS 7001



This document contains general information only and doesn't take into account your objectives, financial situation or needs. Before making a decision about CareSuper, you should consider if this information is right for you. You may also wish to consult a licensed financial adviser. Consider the PDS and TMD at caresuper.com.au/pds. Any advice provided in this document is provided by CareSuper Advice Pty Ltd ABN 78 102 167 877, AFSL 284443. A copy of the *Financial services guide* for CareSuper is available at caresuper.com.au/fsg.

All information, rates and/or fees are current at the time of production and are subject to change. Changes to government legislation and super rules made after this time may affect the accuracy of the information provided. You may wish to obtain professional advice before acting on any of the information contained in this document.

Issuer is CareSuper Pty Ltd ABN 14 008 650 628, AFSL 238718, the trustee of CareSuper ABN 74 559 365 913.

FSWDL04 11/2024