Early access to your super

Super's all about saving for your retirement, so there are regulations about accessing it early.

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'.

For more details about accessing super for retirement, read our *Access your super* fact sheet.

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.

Beware of scams!

Scammers use early release applications to illegally access super accounts.

Never trust anyone that offers to help you access your super early, especially if they charge a fee or offer to submit the application on your behalf.

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.
- To keep your CareSuper account open, you'll need to leave at least $200 in the account (unless the amount being withdrawn has been approved by the ATO). We may adjust any withdrawal amounts to meet this requirement.
- You may have to pay tax on your withdrawal, depending on your circumstances.
- Part withdrawals are paid in line with your chosen future transaction investment strategy. For example, if your chosen investment strategy for contributions and other transactions is split equally between two investment options, the withdrawal will be made in equal proportions from these investment options.
- 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 the 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 *How super works guide*.

How long will it take?

Once we've received all required information, we'll assess if you're eligible within five working days, with payments made within three business days from confirmation of your eligibility.

How to apply to access your super early

How you apply depends on the reason for your application. The table below shows who you'll need to apply to for each reason.

Reason for your application	Who you need to apply to	For more details
Account balance is under $200	CareSuper	See this page
Severe financial hardship	CareSuper	See page 4
Compassionate grounds	Australian Taxation Office (ATO). You'll also need to provide information to CareSuper once the ATO has approved your application.	See page 4
Permanent incapacity (illness or injury)	CareSuper	See page 7
Temporary incapacity (illness or injury)	CareSuper	See page 7
Terminal medical condition	CareSuper	See page 7
Temporary residents departing Australia	The easiest way to apply is online through the ATO. You can also apply to CareSuper using an ATO paper form, but you'll need to send more evidence to support your application and it may take longer. You may also need to provide information to us once the ATO has approved your application.	Read our *Temporary residents departing Australia* fact sheet for more details
Using super to buy your first home	ATO	Read our *First home super saver scheme* fact sheet for details

Account balance under $200

If you have less than $200 in your CareSuper account and you've left the employer that contributed to your account for you, you can apply to withdraw this money.

To make your withdrawal, complete our *Withdrawing your super* form.

Severe financial hardship

You may be able to withdraw some of your super if you're experiencing severe financial hardship.

Eligibility

There are strict government rules about withdrawing your super for severe financial hardship. You must meet **ALL** of the requirements, under either category A or category B below:

Category A

- I haven't received a financial hardship payment from any super fund within the last 12 months
- I've been a member of CareSuper for at least three months
- I've received eligible government income support payments for a continuous period of at least 26 weeks and am still receiving payments, and
- I'm unable to meet reasonable and immediate family living expenses

OR

Category B

- I'm unemployed or work less than 10 hours each week
- I've received eligible government income support payments for a cumulative period (not necessarily a continuous period) of at least 39 weeks since turning 60

If you don't meet all the eligibility requirements under either category A or category B, you aren't eligible for a financial hardship withdrawal.

You must be receiving income support payments

We can't pay a financial hardship benefit if you haven't received eligible income support payments for the required period shown above. We'll verify this with Centrelink before approving your payment. If you're receiving income support from the Department of Veterans' Affairs (DVA) you'll need to obtain a letter from DVA confirming that you've received income support payments for the required period.

How much you can apply for

How much you can apply for depends on which category you're applying under, and the approved amount may be reduced by tax if you're under 60.

Category A

- the most you can withdraw is $10,000 before tax
- the minimum amount you can receive is $1,000 after tax, or the balance of your account if it's less than $1,000

We may adjust your requested amount to meet these requirements.

You can only receive one financial hardship payment from super (across all funds you participate in) in a 12-month period. If you've already received a payment from either CareSuper or another super fund in the previous 12 months, you aren't eligible for another payment, even if you withdraw less than the maximum amount allowed.

Category B

You can apply to withdraw your whole account balance.

How to apply

Financial hardship applications must be made directly to CareSuper.

You can apply to access your super under financial hardship:

- by completing an *Apply to access your super under financial hardship* form
- by calling us on **1800 005 166**

If your application will result in the closure of your account, you'll need to complete the *Apply to access your super under financial hardship* form.

Compassionate grounds

Life doesn't always go to plan. If something goes wrong, you may be able to access super early to help meet certain expenses for you or your dependants. Specific circumstances for requesting early release of super on compassionate grounds are:

- medical treatment or transport for you or your dependant
- modifying your home or vehicle to accommodate special needs arising from your or your dependant's severe disability
- palliative care for your or your dependant's terminal illness
- death, funeral or burial expenses for your dependant
- preventing foreclosure or forced sale of your home

These circumstances don't include meeting general day-to-day expenses in hardship situations. In these situations, you may be able to access your super under severe financial hardship, but there are different rules. See page 4 for more details.

Eligibility

To access super under compassionate grounds, you must:

- be a citizen or permanent resident of Australia or New Zealand
- meet the eligibility requirements of the specific compassionate ground you're applying for
- not be able to afford to pay all or part of the expense without accessing your super. That is, you can't pay the expense by:
  - using your savings
  - selling shares, investments or assets
  - accessing funding through other means such as the National Disability Insurance Scheme
  - borrowing money, obtaining a loan, redrawing your mortgage or using credit facilities. If you subsequently are unable to repay the borrowed amount, you may still be eligible to apply
- provide all required supporting evidence and unpaid invoices or quotes

The expense must be unpaid, or has been paid as a result of borrowing money which remains outstanding. Where you or your dependant have borrowed money to pay the expense, you can only apply to repay any outstanding amounts from the amount borrowed and additional documents will need to be provided to the ATO as part of your application. Other conditions apply.

If you're seeking to access your super to pay an expense for another person, you must have a dependent relationship with that person. A person can be considered your dependant if they meet the criteria for one of the categories below:

- your spouse
- your child
- any other person you are in an interdependent relationship with
- a person who is substantially financially dependent on you

If your relationship meets the requirements of an interdependent or substantially financially dependent relationship, you'll need to provide evidence of the relationship to the ATO.

We've provided a summary of the compassionate grounds below. You can find more details at ato.gov.au.

Medical - treatment or transport

You may be eligible for compassionate release of super to pay for necessary medical treatment or medical transport expenses for you or your dependant.

The medical treatment can't be readily available through the public health system, and the treatment must be required by you or your dependant to:

- treat a life-threatening illness or injury
- alleviate acute or chronic pain or
- alleviate acute or chronic mental illness

Applications for medical transport must be to access medical treatment for one of the above conditions. The transport method can be by land, water or air and you must use the most cost-efficient and reasonable option available.

Accommodating a disability

You may be eligible to release some of your super to pay for expenses to accommodate special needs arising from a severe disability.

If you or your dependant have a severe physical or mental impairment that limits one or more functional capabilities, expenses related to the following may be eligible for a release of super:

- modifications to your home — this must be the place where both you and your dependant permanently live
- modifications to your vehicle — you must own it solely or have joint ownership (it can't be your dependant's vehicle)
- purchasing disability aids or assistive technology
- purchasing a modified vehicle where your existing vehicle is unable to be modified

If you live in a rental property, your landlord must provide written consent to the proposed modifications.

Palliative care for a terminal illness

You may be eligible for compassionate release of super to pay for palliative care expenses if you or your dependant has a terminal illness and has 24 months or less to live.

> If you're terminally ill, you can apply directly to us for early release of your super. You don't need to apply to the ATO. Refer to the *Terminal medical condition* section on page 7 for more information.

The ATO can approve your request for compassionate release of super for you or on behalf of your dependant. However, this amount will be taxable.

Palliative care can be provided in a hospice, in a hospital or at home depending on the nature of the illness and the availability of care and support. Expenses that may be eligible include the cost of:

- accommodation in a palliative care facility
- service providers such as doctors, nurses or counsellors
- home carers related to palliative care management
- hiring specialised medical equipment or aids for use in the home
- therapies to assist in easing pain

You may not have to access your super to pay the full amount. For example, you may receive an amount from Medicare or your private health insurer for some palliative care costs. You should talk to Medicare or your private health insurer to find out what costs you have to pay yourself and how much, if any, of the expense Medicare or your private health insurer will cover.

Death, funeral or burial expenses for your dependant

You may be eligible for compassionate release of super for death, funeral or burial expenses for your dependant.

You can apply to release an amount needed to cover the following:

- death certificate fee
- professional service fees required for the funeral or burial, including hiring costs, celebrant or clergy fees, flowers and public advertising
- burial fees, including the coffin, casket, cemetery fees and burial plot
- cremation costs, including the urn and internment (burial) fees for cremated ashes
- transportation of the deceased to and from the funeral service, or the city or country of burial

The ATO won't approve a release of super to pay for expenses associated with a wake, headstones or monuments. Expenses not considered essential to conduct a funeral or burial, such as entertainment, are also ineligible.

You may be entitled to assistance from Services Australia if you've been receiving Services Australia support payments. Financial institutions may also release funds from the bank account of a deceased person to pay for their funeral expenses. Ask your dependant's financial institution if this is an option.

Preventing foreclosure or forced sale of home

You may be eligible to release some of your super if you've received a threat to repossess or sell your home from:

- your mortgage lender, due to mortgage arrears
- your council, due to outstanding council rates
- an enforcement officer who has been given authority in a court order to sell your home to satisfy an outstanding debt you owe another entity

To be eligible, you must meet all of these conditions:

- the property is your principal place of residence
- you're legally responsible for the mortgage repayments or council rates for that property
- you've received written advice that your property is to be foreclosed, sold or repossessed from:
  - your mortgage lender who has provided you with a default notice or
  - your council, as your council rates are more than two years in arrears
- you can't pay the money owing

You aren't eligible for a release if the threatened foreclosure or forcible sale is due to bankruptcy or Family Court proceedings.

If you own multiple properties, you may not be eligible for release on compassionate grounds, as you may be able to pay your expense by selling one or more of the properties.

How much you can apply for

How much you can apply for depends on which compassionate ground you applied for. This is determined by the ATO.

How to apply

To access super early under compassionate grounds, you must apply directly to the ATO.

You can apply through the ATO-linked service in myGov or call the ATO directly on 13 10 20 (+61 2 6216 1111 if overseas) to request a paper form.

Once the ATO has approved your application, you can make a withdrawal from your account by completing our *Withdrawing your super* form or calling us on **1800 005 166**.

More information on the eligibility criteria and application process can be found at ato.gov.au.

Permanent incapacity (illness or injury)

If you stop work permanently due to illness and/or injury, you may be able to access your super early or apply for insurance benefits.

Permanent incapacity means you're suffering ill health (physical and/or mental), and the trustee is reasonably satisfied that it's unlikely you'll ever engage in gainful employment for which you're reasonably qualified because of your injury or illness.

How to apply

To access your super early due to permanent incapacity, you'll need to provide the following:

- a completed *Withdrawing your super* form
- two opinions from different medical practitioners on your capacity to work due to ill health

Your medical practitioners can work in the same practice. The opinions can be provided by:

- asking your medical practitioner(s) to complete our *Permanent incapacity medical report* form or
- asking your medical practitioner(s) to provide a written opinion

When providing a written opinion, it must be completed by a doctor who has treated you. It must state:

In their opinion, because of your ill health (whether physical or mental), it's unlikely you'll ever engage in gainful employment for which you're reasonably qualified by education, training or experience.

Note: This wording is important. We suggest you show this to your treating doctor to make sure they get it right.

Written opinions need to be on the doctor's letterhead and should contain the following:

- the doctor's full name
- contact details, including phone, email and address for the doctor's practice
- the doctor's signature and date

The written opinions or our forms must be dated less than 12 months from the date of your application.

Temporary incapacity (illness or injury)

If you've temporarily stopped working due to ill health (physical and/or mental) and might be able to return to work down the track, you generally can't apply to access your super early. However, if you have Income Protection cover, you may be able to apply for insurance benefits. See the *Do you have insurance?* section on page 8 for details.

Terminal medical condition

If you've suffered an illness or injury and will likely pass away within 24 months, you can apply to access your super as a tax-free lump sum. You may also be eligible to apply for insurance benefits if you hold cover in your account. See the *Do you have insurance?* section on page 8 for details.

How to apply

You need to provide us with the following:

- two written opinions from different medical practitioners — one must be a specialist in the area relating to your illness or injury
- a completed *Withdrawing your super* form

The written opinions must be completed by two different doctors who have treated you. They can work in the same practice. They must state:

In their opinion, your illness or injury is likely to result in your death within 24 months.

Note: This wording is important. We suggest you show this to your treating doctor to make sure they get it right.

These written opinions need to be on the doctor's letterhead and should contain the following:

- the doctor's full name
- contact details, including phone, email and address for the doctor's practice
- the doctor's signature and date

The certificates must be dated less than 12 months from the date of your application.

If you've successfully applied for insurance benefits within your account for your terminal medical condition, you won't need to provide the written opinions to release your super.

Do you have insurance?

Insurance through super can offer a financial safety net should you get sick or injured and can no longer work. As a CareSuper member, you have access to three types of insurance:

- **Death cover** — provides a lump sum benefit for your dependants or your legal personal representative (executor of your estate) if you pass away, or for you if you become terminally ill (see *Terminal medical condition* on page 7)
- **Total and Permanent Disablement (TPD) cover** — provides you with a lump sum benefit if you become totally and permanently disabled and can no longer work
- **Income Protection cover** — provides you with monthly payments if you're unable to work temporarily due to illness or injury

You can check your insurance in **Member Online** or call us on **1800 005 166**.

For details about cover eligibility and how to make a claim, read the relevant insurance guide.

Please note that the eligibility for insurance claims differ from the conditions of release for accessing your super. We recommend that you take a copy of the relevant insurance guide to your treating doctors to confirm if you meet the conditions.

We're here to 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

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