

# ACCESSING YOUR SUPER

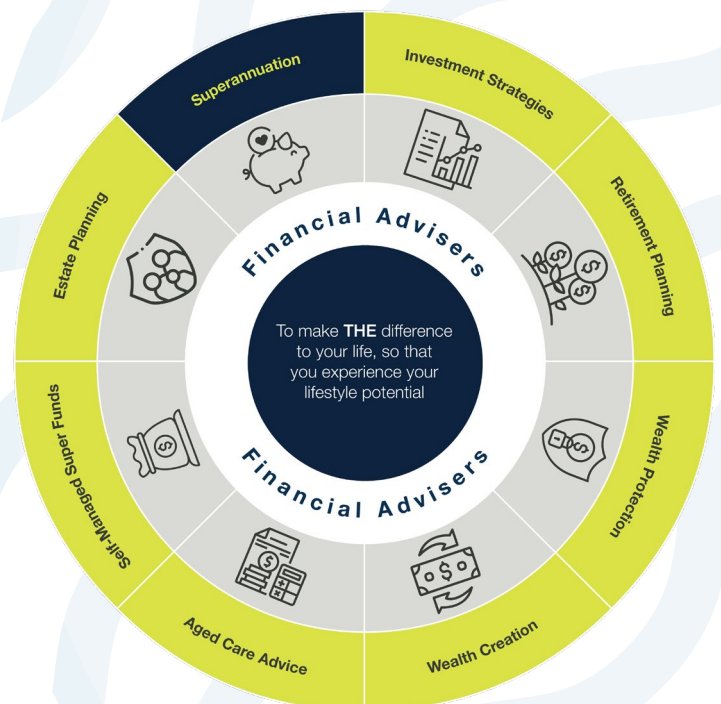
The superannuation system in Australia is designed to encourage individuals to save for retirement by creating a tax effective environment. Restrictions apply to its availability.

## When can I access my super?

Before accessing your super, you must meet a 'condition of release'. Primarily, preservation age.

The preservation age is the minimum age you can begin accessing your super and varies according to your date of birth:

Date of birth	Age you can access super
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58





Common conditions of release include:

- you've reached your preservation age (see table prior) and retired permanently.
- you've reached your preservation age and are transitioning to retirement (see 'Accessing your super after preservation age' below.)
- you're 60 or over and have changed jobs.
- you're 65 or over (even if you're still working).
- you've passed away.

Note: There is no relationship between your preservation age and the aged pension age (the minimum age you can apply for aged pension payments through Centrelink).

## How can I access my super?

When you've met a condition of release, you can:

- take it out as a lump sum
- use it to start a super income stream (i.e. a pension)
- leave it in super.

## Are there other circumstances that allow me to access my super?

Yes, there are other conditions of release that allow you to access your super before preservation age. They include:

- Compassionate grounds if there are no other means of paying these expenses, including to:
  - pay medical expenses for you or your dependants
  - prevent foreclosure of a home loan
  - modify your home or vehicle for a severely disabled occupant
  - pay for palliative care for you or your dependents
  - meet a dependant's funeral costs.

• severe financial hardship:

- regardless of your age and if you're eligible, you can apply for up to \$10,000 gross in a 12-month period
- if you've reached preservation age plus 39 weeks and are eligible, you can apply for any amount.

• terminal illness or permanent incapacity:

- if your fund doesn't allow for this type of release, you may be able to transfer your super to one that does.

• First Home Super Saver (FHSS) scheme —subject to your eligibility, you can:

- apply to release voluntary concessional (before-tax) and voluntary non-concessional (after-tax) contributions you've made to your super fund since 1 July 2017 — to help fund the purchase of your first home.
- apply to have a maximum of \$15,000 in any one financial year included in your eligible contributions under the FHSS scheme, up to a total of \$30,000 across all years.

• temporary resident leaving Australia permanently; you must:

- have been paid super while in Australia on a temporary visa (e.g. 417, 462)
- have already left Australia
- be the holder of an expired or cancelled visa

## Accessing your super after preservation age

### If you have not met a condition of release

If you've reached your preservation age (See table prior) but haven't met a condition of release, you can start accessing some of your super while you're still working.



You can do this by setting up a transition-to-retirement (TTR) income account that provides you with regular payments from your super.

As most of your super stays invested, your savings can continue to grow; and your employer's super contributions will help replace the money you take out.

If you're 60 or older, your TTR pension payments are tax-free. If you're 55 to 59, your pension is taxed at your marginal rate, but you receive a 15% tax offset.

### Important information when transferring super to a pension account

If you choose to transfer some of all of the superannuation into a retirement phase income stream, it is important to be aware of the 'transfer balance cap' (TBC). This is a lifetime limit on the total amount of superannuation that can be transferred into a retirement phase income stream. Everyone has their own personal TBC of between \$1.6 million and \$1.7 million, depending on their circumstances.

### Can I leave my money in super after preservation age?

Yes, of course you can. Because super needs to last a long time and earnings inside super are taxed at only 15%, many people choose to leave most of their retirement savings inside their super account.

If you do this, you should review your investment strategy.

### Will super withdrawals affect my life insurance?

In order to meet the cost of life insurance inside super, there needs to be enough money left in the super account to meet premium payments. Some super funds require a minimum account balance to remain eligible for insurance inside super. Also important to note, if you don't make a contribution for at least 16 months, your insurance cover may be cancelled.

### Get expert advice

Before you withdraw your super, we recommend you speak with one of our financial advisers.

They can help you decide when and how it would make sense for you to access your super, including:

- how the withdrawal will impact your retirement, tax, and existing benefits (e.g. Centrelink, Work Cover, etc.).
- whether a transition-to-retirement (TTR) income account is right for you.
- how best to use your super funds to provide for you and your dependants.
- how to maximise any financial opportunities using your super.

Contact us to schedule a complimentary consultation at +61 3 9810 0700.

## Complete financial care is a phone call away.

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**IMPORTANT INFORMATION:** This fact sheet is current as at 31 October 2021, and has been prepared by BG Wealth Management Pty Ltd, ABN 14 127 520 558, an Australian Financial Services and Credit Licensee (No. 496348) located at 801 Glenferrie Road, Hawthorn VIC 3122. The information and opinions contained in this fact sheet are general information only and are not intended to represent specific personal advice (accounting, taxation, financial, insurance or credit). No individuals' personal circumstances have been taken into consideration in the preparation of this material. Any individual making a decision to buy, sell, hold or dispose of any financial product should make their own assessment taking into account their own circumstances. The information and opinions herein do not constitute any recommendation to purchase, sell, hold or dispose of any financial product. BG Wealth Management Pty Ltd recommends that no financial product or financial service be acquired or disposed of or financial strategy adopted without you first obtaining professional personal financial advice suitable and appropriate to your own personal needs, objectives, goals and circumstances. Information, forecasts and opinions contained in this fact sheet can change without notice. BG Wealth Management Pty Ltd does not guarantee the accuracy of the information at any time. Although care has been exercised in compiling this information, BG Wealth Management Pty Ltd does not warrant that it is free from errors, inaccuracies or omissions. To the extent permissible by law, neither BG Wealth Management Pty Ltd nor its employees, representatives or agents (including associated and affiliated companies) accept liability for loss or damages incurred as a result of a person relying on the information in this publication.