

# Early access to superannuation – COVID-19

To financially support those impacted by COVID-19, eligible individuals can access up to \$10,000 of their superannuation in FY2019-20 and a further \$10,000 in FY2020-21.

## What is the temporary early access to superannuation?

Your superannuation savings can generally only be accessed if you have met a condition of release, such as retirement after reaching preservation age.

However, in recognition of all those financially affected by the COVID-19, the government has granted access to a temporary early release of superannuation on compassionate grounds if you have been financially impacted.

The following amounts can be accessed by eligible individuals:

- \$10,000 in FY2019-20, and
- \$10,000 in FY2020-21.

The amount withdrawn is tax-free and will not affect Centrelink or Veterans' Affairs payments.

## What determines eligibility?

To access your superannuation early, you must satisfy one or more of the following requirements:

- at the time when you apply for the determination, you are:
  - unemployed, or
  - eligible to receive a JobSeeker Payment, Youth Allowance (jobseekers), Parenting Payment (including single and partnered payments), Special Benefit or Farm Household Allowance, or
- on or after 1 January 2020:
  - you were made redundant, or
  - your working hours were reduced by 20 per cent or more, or
  - if you are a sole trader – where your business was suspended or there was a reduction in your turnover of 20 percent or more.

## When can I apply?

You can apply for early release of your superannuation from 20 April 2020.

Applications for this early release must be made before 25 September 2020.

## How do I apply?

You can apply directly to the Australian Taxation Office (ATO) through the myGov website: [www.my.gov.au](http://www.my.gov.au)

You can only make one application for a determination in the FY2019-20, and one application in the FY2020-21.

What this means is that you can request an amount of less than \$10,000 in your application for a financial year, but you cannot make a subsequent application in the same financial year to release the difference between that originally requested amount and the \$10,000 limit.

However, if you have multiple accounts with less than \$10,000 in any one account, you are able to nominate more than one account from which superannuation is to be released.

Once processed, the ATO will issue you with a determination. The determination will also be provided to your superannuation fund, advising them to release your superannuation payment.

Your fund will then make the payment to you, without you needing to apply to your superannuation fund directly.

To ensure you receive your payment as soon as possible, please ensure your details are correct with your superannuation fund including your current bank account details and proof of identity documents.

## What are the tax and social security implications of the withdrawal?

You will not need to pay tax on amounts released from your superannuation account. There is also no impact to any of your social security entitlements.



## What else I should be mindful of?

It is important to bear in mind that a lump sum withdrawal from your superannuation account will mean you'll have less for retirement. This means you could increase the risk of running out of money during retirement.

Furthermore, many superannuation funds have a minimum account balance requirement, meaning if account balance falls below that threshold your balance may be forced to roll to a different superannuation fund which may not be appropriate for your needs. You may also lose valuable life insurances in that process. You should speak to your superannuation fund or financial adviser before proceeding.

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