



Early Release of Superannuation

Accessing your superannuation
on compassionate grounds



Australian Government

Department of Human Services





What is this brochure about?

In Australia, superannuation cannot generally be accessed before you are 55 years old. This is to ensure that people can fund themselves in retirement.

However, in some **limited circumstances**, the law does allow you to access your superannuation early. These specific circumstances which are called 'grounds' include *compassionate grounds*.

This brochure outlines these compassionate grounds and how you can apply for early release of your superannuation funds.

The Department of Human Services (DHS) is responsible for assessing applications on compassionate grounds. Successful applicants must require the early release of their superannuation benefits for one of the specific conditions allowed under compassionate grounds. They must not have the financial capacity to meet the costs they are applying for by any other means.

The grounds for early release of superannuation are set out in Australian law. This means that DHS staff cannot approve the early release of your superannuation benefits unless you meet the specific requirements of the law.

What do I need to know before applying on compassionate grounds?

Eligibility criteria

Early release of superannuation benefits on compassionate grounds is only available to Australian and New Zealand citizens and permanent residents.

A release of superannuation on these grounds cannot be permitted for applicants who are temporary residents, unless:

- they satisfied the criteria for a release of superannuation on compassionate grounds prior to 1 April 2009, or
- they hold a Subclass 405 (Investor Retirement) visa or a Subclass 410 (Retirement) visa described in Schedule 2 to the Migration Regulations 1994.

Superannuation fund trustees have the final say

DHS may give you permission to access your superannuation early. However, this doesn't mean that your superannuation trustee must release your benefits.

Your superannuation fund trustee (or Retirement Savings Account provider) will decide if benefits are released early. They may charge you fees to do this.

Before applying you must contact your superannuation fund to ask if they will permit the early release of your superannuation.

If you want to access superannuation benefits from a self-managed superannuation fund, you should contact the Australian Taxation Office (ATO). The ATO can provide information regarding your obligations as trustee of your fund, before you can access any benefits. You will still need authority from DHS before accessing your superannuation from your self-managed superannuation fund.

Exempt Public Sector Superannuation Scheme (EPSSS)

DHS cannot approve the release of benefits from an EPSSS. These types of superannuation funds are regulated under state or territory law. For more information, contact your fund.

Taxation of early release of superannuation benefits

Your superannuation fund may deduct additional amounts for tax purposes when releasing your superannuation early. Different tax rules may apply depending on your age. For more information, contact your superannuation fund or the ATO.

Financial advice

Accessing your benefits early may impact on your financial situation. It's important to make sure that it's right for you.

We strongly recommend that you get independent financial advice before making an application for early release of your superannuation.



You may be eligible
for early release of
superannuation benefits on
compassionate grounds.

What are compassionate grounds?

The reasons that DHS can consider on compassionate grounds are limited.

You may be eligible for early release of superannuation benefits on compassionate grounds if you need money to:

- pay for medical or dental treatment for you or your dependant—where the treatment is not readily available through the public health system or covered by health insurance
- pay for transport for medical or dental treatment for you or your dependant
- pay arrears on your mortgage to prevent your home being sold by your lender
- modify your home or vehicle to accommodate a severe disability for you or your dependant
- pay for expenses associated with palliative care for a terminal illness for you or your dependant (other grounds for early release also exist for people with terminal illness—please refer to page 10 for more information)
- pay for expenses associated with your dependant's death, funeral or burial.

If none of these reasons match your situation, there may be other grounds you can apply under—see page 10 for more information.

Who is a dependant?

Broadly speaking, your dependants are:

- your partner or spouse
- your children (if they are not living independently from you)
- anyone else who is dependent on you for financial, domestic or personal support (for example, an elderly parent who lives with you).

How do I apply?

Complete the application form(s)

If you think that one or more criteria under compassionate grounds applies to you, complete the relevant application form(s).

You will need the form that specifically relates to your circumstance(s). You will also need to provide the relevant supporting documentation.

The fastest way to get an application form is to go to **www.humanservices.gov.au** and download and print the form(s) you need. You can also call **1300 131 060** and we can post, fax or email these to you.

For details about what supporting documentation is required, go to **www.humanservices.gov.au** and search under 'Early Release of Superannuation Benefits', or look at the relevant application form.

Submit your application form(s)

You can submit your completed application form(s) and all supporting documentation by email, fax or post.

Email	ERSBenquiries@humanservices.gov.au
Fax	1800 228 455
Post	Early Release of Superannuation Benefits PO Box 1001 Tuggeranong DC ACT 2901

What happens next?

We will assess your application in a timely manner

Assessment will take longer if the application form(s) is not fully completed or if supporting documentation is missing. If you submit an incomplete application it may be sent back to you for completion before we process it.

How do I know if I've been successful?

Once your application has been assessed you'll be advised in writing. Your superannuation fund(s) will require this as proof that your application has been approved before they will release your superannuation to you.

Assessment will take longer if the application form is not fully completed with all supporting documents attached.

What other grounds can I apply under?

Aside from compassionate grounds, there are other circumstances where superannuation benefits may be released early. DHS does not process or approve applications under these other grounds.

Severe financial hardship

Early release of superannuation may be considered for costs such as living expenses or general debt on severe financial hardship grounds. Your superannuation fund makes this decision. To be eligible you need to have been receiving a Commonwealth income support payment for at least 26 weeks and show evidence that you cannot meet reasonable and immediate family living costs. To find out if you've been receiving an eligible payment for the required period of time, go to www.humanservices.gov.au or visit your local Centrelink Service Centre. Contact your superannuation fund for further information.

Terminal illness

If you are terminally ill, you can apply directly to your superannuation fund for early release of superannuation. You do not need to submit an application to DHS. This release is tax free if you meet certain conditions. Contact your superannuation fund for further information.

Permanent incapacity

If you are permanently unable to return to work due to illness or injury, your superannuation fund may consider the early release of your superannuation benefits. Contact your superannuation fund for further information.

Balance \$200 or less

If your superannuation benefit balance is \$200 or less you can apply to your superannuation fund for an early release. Contact your superannuation fund for further information.

Permanent departure from Australia

If you were in Australia temporarily on an eligible temporary visa and are now leaving the country permanently, you can apply to the ATO for early release of superannuation benefits. Contact the ATO on **13 10 20** or go to www.ato.gov.au/super for further information.

What if I am not eligible under any of these grounds?

DHS offers other support services for people facing financial crisis. These include financial counselling and personal/family counselling from social workers.

In some cases, special one-off payments may also be available to people who are facing extreme circumstances.

If you would like to talk to someone about these support services, please visit www.humanservices.gov.au or visit your local Centrelink Service Centre.

Disclaimer

The information contained in this publication is intended only as a guide to payments and services. It is your responsibility to decide if you wish to apply for a payment and to make an application, with regard to your particular circumstances.

This information is accurate as at October 2011. If you use this publication after that date, please check with us that the details are current.

For more information

- Call **1300 131 060** or **+61 3 6222 2189**.
Monday to Friday between 9am – 5pm (EST)
- Fax **1800 228 455**
- Email **ERSBenquiries@humanservices.gov.au**
- Website **www.humanservices.gov.au**
- Post Early Release of Superannuation Benefits
PO Box 1001
Tuggeranong DC ACT 2901
- TTY **1800 552 152**
(hearing and speech impaired)*
- TIS **131 450**
(Translating and Interpreting Service)**

*Call charges apply.

**Call charges apply from mobile and pay phones only.