

# Rollover and superannuation investments



## What are superannuation and rollover investments?

These are investments held in:

- deferred annuities (DAs)
- approved deposit funds (ADFs)
- superannuation funds
- superannuation bonds, **and**
- retirement savings accounts.

Income streams such as an annuity or pension, although technically a superannuation product, are not covered by these rules.

## Treatment of superannuation and rollover investments

How these investments are treated under the income and assets tests depends on your circumstances as set out below.

### All customers who are under age pension age

Your superannuation and rollover investments are disregarded for income and assets test purposes.

### Customers who have reached age pension age

Your superannuation and rollover investments are:

- included as assets under the assets test, **and**
- regarded as financial investments, are added to the value of other financial investments and deemed to calculate income from all financial investments.

See the factsheet *Deeming*.

## Customers who have a partner who has reached age pension age

Your partner's superannuation and rollover investments are:

- included as assets under the assets test, **and**
- regarded as financial investments, are added to the value of other financial investments and deemed to calculate income from all financial investments.

See the factsheet *Deeming*.

**Exception:** where the superannuation investment cannot be accessed, a Ministerial Exemption may be available. If approved, the investment is exempt from income and assets assessment whilst the investment cannot be accessed.

## How will a withdrawal from my (or my partner's) superannuation investment affect my social security payment?

The amount withdrawn is not treated as income under the Social Security Act. However, what you do with the money may affect the rate of your pension or allowance. For example, if the money were used to purchase an income stream, then the applicable income and assets test assessment would apply. If the money were placed in a bank type account, it would be assessed as an asset and income determined using the deeming rules.

See the factsheet *Income Streams*.

## Accessing superannuation money before retirement

Superannuation money can generally only be accessed if the status of the fund is non-preserved. The preservation rules were introduced to ensure that superannuation money should only be available once the person reaches preservation age and retires from the workforce.

The minimum preservation age for a person varies depending upon their date of birth. The minimum preservation age is 55 years old for a person born before 1 July 1960. A higher age is required for a person born after 30 June 1960 (see table).

Born	Minimum preservation age
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
1 July 1963 to 30 June 1964	59
From 1 July 1964	60

Early access may be possible under the “severe financial hardship” rules in the Superannuation Industry Supervision (SIS) Act. The trustee of the superannuation fund administers the release of benefits in accordance with these rules. In addition, early release is also subject to the governing rules of the superannuation fund, which in some cases may prevent release even if hardship is established.

**The trustee of the superannuation fund makes all early release decisions.** Centrelink’s role in this process is to provide a statement/letter confirming the period the person has been in receipt of income support.

There are two options under which early release can occur.

**Option 1:** Based on an applicant:

- being in receipt of an income support payment at the time of the request
- having been in continuous receipt of an income support payment for the last 26 weeks, **and**
- satisfying the trustee that they are unable to meet reasonable and immediate family living expenses.

Income support payments for this test include:

- social security pensions
- service pensions
- certain social security benefits
- income support supplements
- drought relief payments
- exceptional circumstances relief payments
- Commonwealth Development Employment Projects (CDEP) Scheme payments.

**Note:** Family Tax Benefit, Austudy, Youth Allowance and New Enterprise Incentive Scheme (NEIS) are not included.

If the person satisfies all of the above conditions, the trustee may, in any twelve-month period, release one lump sum payment. The lump sum payment is to be no more than a gross amount of \$10 000 and no less than \$1000 (or the balance of your benefit if it is less than \$1000).

**Option 2:** if the person is aged 55 years and 39 weeks or more, an alternative, optional objective test of severe financial hardship may be applied.

The person must:

- have received a Commonwealth income support payment for a **cumulative period** of 39 weeks after reaching age 55, **and**
- not be gainfully employed on a full time or part time basis on the date of their application to the trustee/RSA provider.

The trustee/RSA provider may release the person’s entire benefit if they satisfy this test.

## For more information

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**Financial Information Service** **13 2300**

Planning for or needing help in retirement

**Financial Information Service  
seminar bookings** **13 6357**

**Looking for work** **13 2850**

**Parent or guardian** **13 6150**

**To speak to Centrelink in languages  
other than English** **13 1202**

**TTY\* enquiries** **Freecall™ 1800 810 586**

\*TTY is only for people who are deaf or have a hearing or speech impairment. A TTY phone is required to use this service.

Go to our website at [www.centrelink.gov.au](http://www.centrelink.gov.au)

Check the “we speak your language” link on Centrelink’s website for information in languages other than English.

**Note:** calls from your home phone to Centrelink “13” numbers from anywhere in Australia are charged at a fixed rate. That rate may vary from the price of a local call and may also vary between telephone service providers. Calls to “1800” numbers from your home phone are free. Calls from public and mobile phones may be timed and charged at a higher rate.

## Disclaimer

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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 September 2008. If you use this publication after that date, please check with us that the details are current.