

October 2018

The early release of a superannuation benefit on grounds of severe financial hardship

This fact sheet outlines conditions to gain the early release of your superannuation benefit on grounds of severe financial hardship

Super is a means of saving for retirement. It's for this reason that the government places strict rules around when you can access your super savings.

Generally speaking you can't access your super until you reach your preservation age. Depending on when you were born and what your employment status is, this is usually between ages 55 and 65 years.

Date of Birth	Preservation age
Prior to 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
After 30 June 1964	60

However, earlier release of a benefit is available in certain circumstances. One of these circumstances is where your super fund approves payment because of severe financial hardship.

If you are a temporary Australian resident, you will be unable to apply for the early release of your super. Please contact Prime Super to discuss what options are available to you. If you have been unable to work due to illness or injury, please contact us to determine whether you have any insurance cover in place.

Conditions of release

In order for the Trustee to consider a financial hardship payment, you will need to:

1. Provide written evidence from Centrelink that you have received Commonwealth income support payments for a continuous period of at least 26 weeks and were in receipt of those payments at the date of the written evidence.
2. Establish to the Trustee's satisfaction that you are unable to meet reasonable and immediate family living expenses.
3. Ensure you have not accessed funds via financial hardship from any superannuation fund in the last 12 months.

Your application cannot be accepted if all three of the conditions are not met.

If you are over the preservation age and 39 weeks you have the option of either meeting the previously listed requirements, or you can:

1. Provide written evidence from Centrelink that you have received income support for a cumulative period of 39 weeks after reaching your preservation age and you are not gainfully employed (employed or self-employed for gain or reward for more than 10 hours per week) at the time of your application.

Centrelink letter

You can provide the required written evidence of income support payments via a valid Q230 or Q251 letter from Centrelink or by authorising us to source this for you in Section 8 in our Early Release of Super on Compassionate Grounds or Financial Hardship form.

You can also request this letter directly from Centrelink via www.humanservices.gov.au/earllysuper. Please note that your Q230 is not valid if it is dated more than 21 days before the date of your application for financial hardship.

Evidence of Income

To assess an application, we require evidence of income for yourself, and your spouse or partner. Evidence may include:

- Rent, shares or other investments,
- Centrelink benefit income statements,
- payslips, and/or
- bank statements.

Evidence of Expenses

We also require evidence of debts and expenses, which may include:

- Mortgage payments, rent, bonds, board, rates, body corporate fees. You may be asked to provide a copy of your lease agreement for overdue rent
- Household bills, e.g. electricity, gas, water, telephone, internet
- Education and child support, e.g. school fees, childcare fees, child support payments

call 1800 675 839
visit primesuper.com.au
email administration@primesuper.com.au


primesuper
surprisingly straightforward

- Credit card or personal loan repayments – generally claims will cover the minimum outstanding balance on credit cards and personal loans from financial institutions, not the full balance
- Transport costs, e.g. vehicle repayments, tolls, servicing or registration
- Medical costs, e.g. specialist appointments, rehabilitation, scans, tests, dental
- Government debts, e.g. Centrelink or Australian Tax Office debts, outstanding parking or traffic fines
- Outstanding legal fees

Evidence of overdue debt in joint names will be divided by half.

In addition to items listed above, you will also need to provide a list all weekly expenses in Section 4 of your Early Release of Super on Compassionate Grounds and Financial Hardship form.

Examples of expenses and debts that will usually not be covered:

- Future expenses, debt or quotes
- Debts for people other than you (or you and your spouse)
- Debts between yourself and another individual which are not subject to a contract
- Purchase of luxury items
- Payment for a holiday or a new car
- Home renovations (unless required due to disability or other mobility/physical requirement)
- Business related expenses
- Business related debt

Please note that this list is a guide only and we will review and assess other evidence provided. Prime Super may request additional evidence to assist in assessing your claim.

Apply to Prime Super for early release based on Financial Hardship

- Fill out the Early Release of Super on Compassionate Grounds and Financial Hardship form
- Select financial hardship in section 1
- Complete all sections of this form
- Complete the Centrelink Authority in section 8 or attach a valid Q230 or Q251 letter from Centrelink
- Provide evidence of debt to the value of the amount you are claiming
- Complete the Electronic verification authority, or provide proof of identity in Section 5
- Send the completed Early Release of Super on Compassionate Grounds and Financial Hardship form along with evidence and proof of identification to Prime Super

Proof of identity

It is important to provide the right proof of identity. If you are using paper copies of certified documents please ensure the certification is completed correctly.

You have two options to prove your identity.

Option 1 – Electronic verification

We can verify your identity online using the GreenID service or certified hard copies. GreenID is an online leading identity verification service within Australia and abroad and

ensures privacy and protection of your personal information.

You can use any two of the following documents to verify your identity

- Medicare card
- Driver's licence
- Australian passport

Option 2 – Paper copies of certified documents

If you choose to prove your identity using paper-based verification all pages must be certified as a true copy of the original document on each page.

The certification must include the certifier's signature, printed name, qualification (e.g. police officer), a contact number and the date. A certification must contain an original signature.

The identification must be current (i.e. valid and not expired within the last two years) and the copy must have been certified in the last three months prior to being received by Prime Super. Please note that Prime Super does not accept documentation that has been certified by family members.

Please ensure that all the documents are provided to avoid any delays in assessing your application.

To send these documents via mail please forward to:

Prime Super
Reply Paid 85860
PARRAMATTA NSW 2124
No stamp required

The amount that can be released

If you satisfy the conditions for release, then the amount that can be released is either:

1. A maximum lump sum payment of \$10,000 (before tax).
The minimum amount of the lump sum payment is \$1,000 (before-tax) or your account balance if it is less than \$1,000.
2. Otherwise, if you are aged over the preservation age and 39 weeks, and have been in receipt of Centrelink income support payments for a cumulative period of 39 weeks since reaching your preservation age, your entire benefit can be paid to you, although you may elect for only part of your benefit to be paid.

Please note that the actual amount that may be approved for release will be determined by the Trustee following assessment of your application and may be less than the above amounts.

Tax payable on benefit

Benefits tax may be payable on any lump sum released to you. The tax payable will depend on your age and the amount of your tax-free and taxable components.

Further information

We're committed to helping you grow, manage and protect your wealth and retirement income. For more information on the early release of super benefits on financial hardship grounds please see www.humanservices.gov.au/earllysuper or give us a call on **1800 675 839** or email administration@primesuper.com.au
primesuper.com.au