

## Early release of superannuation benefits: severe financial hardship

### Accessing your super

Preservation rules generally restrict withdrawals from your super until you retire from the workforce or reach your preservation age (between 55 and 60 depending on your date of birth – see Table 1). However, there are some exceptions to this rule. For example, the Fund Trustee, Lutheran Super, can approve the early withdrawal of superannuation if you are suffering severe financial hardship.

Table 1

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
From 1 July 1964	60



### Severe financial hardship release

Whilst there may be a need to access your super early, the Trustee can only approve the release of **one** payment up to the maximum amount of \$10,000 (before tax) from your super benefit in any 12 month period. Additionally, Lutheran Super can only release a portion of your superannuation benefit if you are an Australian or New Zealand citizen or a permanent resident, and if you satisfy one of the following criteria outlined in Table 2.

Table 2

Member age	Criteria
<b>Type A</b>	
Members aged under 55 years and 39 weeks	<ul style="list-style-type: none"> <li>■ You are receiving an eligible Commonwealth income support payment for at least 26 or more continuous weeks</li> <li>■ You are able to demonstrate severe financial hardship. This means that you are unable to meet reasonable and immediate family living expenses. For example, your income is not enough to cover the basic necessities of everyday living and you have no other assets or resources which could reasonably be used, in the foreseeable future to cover the gap.</li> </ul>
<b>Type B</b>	
For members aged over 55 years and 39 weeks	<ul style="list-style-type: none"> <li>■ You are receiving an eligible Commonwealth income support payment for at least 39 or more continuous weeks since reaching age 55, and</li> <li>■ You can declare that you are not gainfully employed (working 10 or more hours each week) at the time you make your application.</li> </ul>

## Eligible Commonwealth income support payments

Eligible payment type	
<b>Department of Veteran's Affairs service pensions</b>	<ul style="list-style-type: none"> <li>■ Age service pensions</li> <li>■ Partner service pensions</li> <li>■ Invalidity service pensions</li> <li>■ Carer service pensions</li> </ul>
<b>Social security pensions</b>	<ul style="list-style-type: none"> <li>■ Age pension</li> <li>■ Disability support pension</li> <li>■ Wife pension/Carer payment</li> <li>■ Parenting payment</li> <li>■ Widow B pension</li> </ul>
<b>Social security benefits</b>	<ul style="list-style-type: none"> <li>■ Newstart allowance</li> <li>■ Sickness allowance</li> <li>■ Mobility allowance</li> </ul>
<b>Drought relief from 1 July 1988</b>	<ul style="list-style-type: none"> <li>■ Drought relief payment under the <i>Farm Household Support Act 1992</i></li> <li>■ Exceptional circumstances relief payment under the <i>Farm Household Support Act 1992</i></li> </ul>
<b>Income support supplements</b>	<ul style="list-style-type: none"> <li>■ An income support supplement paid by the Department of Veteran's Affairs (effectively replaces any social security age pensions paid to a war widow or widower from March 1995).</li> </ul>

### Non-eligible Commonwealth income support payments

The following payment types are **not** eligible:

- Family payments (formerly known as family allowance payments)
- Austudy/Abstudy or other youth allowance payments in relation to full time study.

### Providing your Centrelink Reference Number (CRN) and Customer Confirmation eService (CCeS)

Centrelink can tell you whether the particular payment you receive qualifies.

To confirm your eligibility, you will need to provide your **Centrelink Reference Number (CRN)** on your application. To obtain your CRN, you will need to contact Centrelink.

Lutheran Super can then confirm whether you have been paid an eligible Commonwealth income support payment using your name, date of birth and CRN through the online Customer Confirmation eService (CCeS) provided by Centrelink. This search can confirm your payments immediately, avoiding any delay.

When accessing your details on the CCeS, Lutheran Super is bound by the legislative requirements of confidentiality, including the Privacy Act 1988. This means Lutheran Super cannot disclose your CRN to anyone other than Centrelink or use it for any purpose other than to verify whether you have received qualifying Commonwealth income support for the period required to be eligible to access your benefits on the grounds of severe financial hardship.

## Contact Centrelink for more information

If you need more information, you can call the relevant Centrelink department on the number shown below.

- |                                      |                 |
|--------------------------------------|-----------------|
| ■ Newstart and other allowances      | <b>13 28 50</b> |
| ■ Retirements and disabilities       | <b>13 23 00</b> |
| ■ The Department of Veterans Affairs | <b>13 32 54</b> |

### How to apply for early release

To apply for early release of your super benefits due to financial hardship, in addition to meeting the criteria explained above, the Trustee must be satisfied that you are not able to meet your immediate and reasonable living expenses.

To apply, complete the application form, *Early release of superannuation benefits on grounds of severe financial hardship* form, available from the Lutheran Super website, [www.lutheransuper.com.au](http://www.lutheransuper.com.au) or the Helpline, **1800 635 796**. You will need to complete a *Statutory Declaration* as part of your application along with specific documentary evidence.

Be sure to read this information and the requirements carefully. If you apply for early release of your super benefits, be sure to provide all the requested information so your application can be considered without unnecessary delay.

### Superannuation release guidelines

Here are some of the common types of expenses and how they will be treated when an application for early release of super benefits is received. Where documentary evidence of income and expenses or bills is needed, these should not be over one month old.

### Credit cards and other loans

Do you have credit card debt? Generally we will pay the immediate minimum outstanding balance on any credit cards and personal loans only.

Personal loans from family or friends are generally not allowed unless you are able to provide a *Statutory Declaration* from the person you borrowed from stating:

- the details of the loan
- that the loan is immediately due and payable
- evidence (bank statements, paid bills) that you did in fact receive the money, and
- that the loan was needed to meet reasonable and immediate family living expenses.



### General bills

Gas, water, electricity and phone bills will generally be approved provided that the copies are the most recent and show that they are due at the date of the application. We may also approve release for council rates or body corporate expenses.

### Insurance

We may release funds for payment of outstanding insurance (house, car, contents, medical).

### Motor vehicle

We will only approve payments for repairs to a motor vehicle where they are required to make the vehicle roadworthy. Send us the quote as evidence that the repairs are essential.

Funds for the purchase of a motor vehicle will not be approved except in exceptional circumstances.

### Education expenses

We may release funds to meet educational expenses for you or your dependants (such as school fees, uniforms, books etc) where they are due and payable at the time of application or in the very near future. Again, you will need to provide sufficient documentary evidence.

### Medical expenses

We may release funds for outstanding medical bills or urgent medical treatment not yet undertaken if you have documentary evidence.

If you have substantial medical costs, the Australian Taxation Office (ATO) may be able to help you further. See "Specified compassionate grounds" later in this fact sheet.

### Mortgage payments

We may only be able to help to cover the minimum outstanding amounts.

If you are in danger of defaulting on your mortgage, you should consider contacting the ATO. See "Specified compassionate grounds" at right.

### Household goods

Generally we can not release funds to cover the cost of household items unless they are essential. Examples may include a refrigerator. We will not release funds to cover discretionary items such as televisions, stereos and computers.

### Specified compassionate grounds

If you are not eligible to access your superannuation benefit on the grounds of severe financial hardship, you may consider applying to the ATO for an authority to release money to meet unpaid expenses before the Trustee can release any of your super to you on specified compassionate grounds.

Benefits may be released on compassionate grounds only in the following circumstances:

- medical treatment (or transport) for you or your dependant where:
  - the treatment is necessary for a life-threatening illness or injury, and/or
  - to alleviate acute or chronic physical pain, and/or
  - to alleviate acute or chronic mental disturbance.

Please note that these circumstances only apply where such treatment is not readily available through the public health system.

- modifications to the family home and/or vehicle to meet special needs, if you or your dependant are severely disabled
- palliative care in the case of impending death for you or your dependant
- death, funeral or burial expenses for your dependant
- mortgage assistance:
  - to prevent foreclosure of your mortgage over your principal place of residence, or
  - to prevent the mortgagee (lender) from exercising a power of sale over your principal place of residence.

For more information about accessing your super on specified compassionate grounds, visit the ATO website at [www.ato.gov.au](http://www.ato.gov.au) or call **13 28 65**.

### Tax and benefit payments

How any financial hardship benefit will be taxed depends on the components of your super and your age.

If you are age 60 or over, no tax is payable on your super benefit. Generally, if you are over your preservation age (currently age 55) and have not previously accessed your super, you are also not likely to pay any tax.

For more information about tax and super, please refer to the **Member information booklet** available in the "Forms and publications" section of the Lutheran Super website, [www.lutheransuper.com.au](http://www.lutheransuper.com.au) or by calling the Helpline on **1800 635 796**.