

# FACT SHEET

## Withdrawing Your Benefits (Conditions of Release)

The ability for you to access your money in a superannuation fund depends on when and by whom the money was contributed and whether certain conditions, known as 'Conditions of Release', are satisfied. The various conditions impose different withdrawal restrictions.

Taxation of withdrawals, whether as a lump sum or an income stream is not covered in this factsheet. For information on that subject, see our factsheet 'Superannuation and Tax'.

One of the most common conditions of release is retiring, after reaching preservation age, with no intention to ever return to gainful employment. The minimum preservation age is currently 55 years but this is progressively increasing depending on your date of birth, as illustrated in the table below.

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
After 30 June 1964	60

Other conditions of release include:

- Transition to retirement – income stream only;
- Changing a condition of employment after age 60;
- Attaining age 65;
- Severe financial hardship;
- Permanent incapacity;

- Temporary incapacity;
- Compassionate grounds;
- Terminal illness; and
- Death.

Several of the conditions listed above have further restrictions and qualifications to obtain the benefits. For further details regarding these conditions of release call us on 1300 020 110.

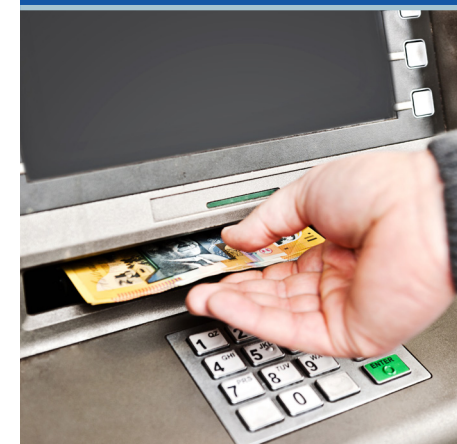
### Retirement

Retirement is defined as:

- In the case of a person who has reached their preservation age, an arrangement under which they were gainfully employed has come to an end and the fund trustee is reasonably satisfied they intend never to become gainfully employed on either a full-time or part-time basis; or
- In the case of a person over 60 years of age the arrangement under which they were gainfully employed has come to an end on or after they attained 60 years of age. This means that they may change from full-time to part-time work and access the benefits they held in superannuation up until the date of that change. Contributions made after that date would be preserved until a further condition of release is satisfied. At the time of change there must be a total break of employment – i.e. all long service leave and other payments due must be paid out and appropriate taxes paid. It is not sufficient to cease employment on a fulltime basis and commence part time, retaining all previously accumulated benefits.

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## Attaining Age 65

This is an 'unconditional' condition of release and when this occurs you can access your superannuation as a lump sum or an income stream even if you continue to work.

## Permanent Incapacity

This condition of release is satisfied if your fund rules allow release because of permanent incapacity and you have ceased gainful employment – which means that you are gainfully employed for less than 10 hours per week and the trustee of the fund is satisfied that it is unlikely, because of your incapacity, you will ever be able to work again in your field of expertise.

## Temporary Incapacity

Subject to fund rules, in the event of temporary incapacity it is possible to commence a non-commutable income stream for up to the duration of the incapacity.

## Transition to Retirement

If you have reached your preservation age, are still working, under age 65 and want additional tax effective income you can commence a non-commutable income stream from your superannuation fund, even if your benefits are fully preserved. The maximum income that can be drawn is 10% of the account balance at commencement and then 10% of the balance as at 1 July in successive financial years. The minimum drawdown amount is 4% of the account balance as at the start of the financial year. On retirement or at age 65 (whichever comes first) the income stream converts to a standard Account Based Income Stream.

## Severe Financial Hardship

You may be able to access a limited amount of your superannuation benefits if you are considered to be in severe financial hardship. To qualify you must have been on specific Government Income Support payments for at least 26 weeks and you satisfy the fund trustee's subjective test of hardship. Please note, not all funds allow access due to Severe financial Hardship. For more information contact your fund and the Department of Human Services (DHS) Financial Information Service (FIS) on 13 23 00.

## Compassionate Grounds

Access to superannuation may be available on compassionate grounds to meet costs for various medical expenses, palliative care and funeral expenses. For more information us on 1300 020 110 or contact Department of Human Services (DHS) Financial Information Service (FIS) on 13 23 00.

## Terminal illness

You may be able to access all your superannuation benefits if you have been diagnosed with a terminal medical condition. For more information contact us on 1300 020 110 or contact your fund.

## Preserved Benefits

Preserved benefits include employer contributions, member contributions and investment earnings which cannot be accessed as a lump sum until a condition of release has been met. After preservation age and if still gainfully employed preserved benefits can be accessed as a non-commutable Transition to Retirement Income Stream pending retirement or turning 65. (see Transition to Retirement – above).

## Restricted Non-Preserved Benefits

The rules applying to restricted non-preserved benefits are the same as preserved benefits except for one key exception. Restricted non-preserved benefits can be cashed on termination of gainful employment with an employer who had at any time contributed to the regulated superannuation fund. These benefits are effectively pre 1 July 1999 member contributions and earnings as well as employer contributions and earnings above or pre-dating super guarantee (SG) and/or award requirements.

## Unrestricted Non-Preserved Benefits

The feature of unrestricted non-preserved benefits is that they may be cashed, in whole or part, at any time subject to the payment of applicable tax. These are generally amounts for which a condition of release has previously been met but for whatever reason are still left in the super fund.

## Beware of Scams!

There are schemes that purport to offer early access to superannuation. There are limited legal circumstances that allow you to access your super early. Services that offer early access outside these circumstances are illegal and expensive. If you are considering accessing your superannuation benefits speak with your licensed financial adviser or your fund and ask if what was offered is legal and possible. Should they claim it is not or you suspect it is illegal contact the Australian Securities and Investments Commission on 1300 300 630, the Australian Taxation Office (ATO) on 13 10 20, the Australian Competition and Consumer Commission's (ACCC) 'SCAMwatch' on 1300 795 995 or your local Office of Fair Trading to report your concerns.