



Early release of a superannuation benefit on grounds of severe financial hardship

To apply for the early release of your First State Super benefit on grounds of financial hardship, you must complete an **Application for early release of a benefit on grounds of severe financial hardship** form. Please contact Customer Service to obtain a form (see back page for contact details).

Temporary residents are not eligible to apply for early release on the grounds of severe financial hardship.

1. Introduction

Federal Government legislation generally requires superannuation benefits to be preserved until a scheme member retires from the workforce after reaching the preservation age. This is age 55 if you were born before 1 July 1960 and it increases progressively if you were born after that date to age 60 if you were born after 30 June 1964 (see table on page 3).

However, earlier release of a benefit is available in certain circumstances. One of these circumstances occurs where the trustee of a superannuation fund approves payment to help ease a member's **severe financial hardship**.

If you do not satisfy the conditions for release of your benefit on these grounds, you may still be able to apply for early release of a benefit amount on **compassionate grounds**. For more information, please refer to **Fact Sheet 10 Application for early release of a benefit on specified compassionate grounds**.

Your final benefit payment from the Fund will be reduced by the amount of any payment that is approved for early release.

2. Eligibility

To be eligible for release of superannuation benefit on grounds of financial hardship, you must satisfy the Trustee that you meet the conditions of either **Case 1** or **Case 2**. If you cannot show that you meet the conditions under Case 1 or Case 2, the Trustee cannot authorise the release of your benefit on grounds of financial hardship.



3. CASE 1 applicants

3.1 What conditions apply?

For early payment of your superannuation benefit to be approved on the grounds of severe financial hardship, you must satisfy the Trustee that you are **unable to meet reasonable and immediate family living expenses**. To satisfy Federal Government requirements, the application form requires you to provide a statutory declaration stating that you are unable to meet such expenses, and to provide detailed information about your current financial circumstances.

You can apply for a financial hardship benefit under Case 1 if:

- you are in receipt of a Commonwealth income support payment at the time of the request and you have been receiving this payment for the last (continuous) 26 weeks; and
- you are unable to meet reasonable and immediate family expenses.

If you are applying under Case 1, you must provide the following documents to support your application:

- A **letter** from Centrelink or the Department of Veterans' Affairs (DVA) (depending on which body makes your income support payments) stating that you are currently in receipt of a Commonwealth income support payment, and have been for a continuous period of at least 26 weeks. The letter must be dated within 21 days of this application.
- A **Statutory Declaration** stating, among other things, that you are unable to meet reasonable and immediate family expenses from your income, ie. the combined expenses of you and your family exceed the combined income of you and your family.
- **Proof of income** eg. payslips, bank statements, Centrelink/DVA income statement.
- **Proof of outstanding expenses** eg. overdue bills or bills that are due shortly (not more than two months old), evidence of mortgage or rent arrears, medical quotes, quotes for immediate and urgent repairs, etc. Note that business expenses are not considered in assessing eligibility for payout due to severe financial hardship.
- Certified **proof of identity** (see **Proof of identity and certification**).

3.2 What are reasonable and immediate family living expenses?

In determining whether an application satisfies early release of your super benefit due to financial hardship, and if so, the extent of financial assistance that may be provided, the Trustee will consider that the following are reasonable and immediate family living expenses:

- Mortgage
- Household expenses
- Rent and rental bond
- Child support and child care
- Debts
- Car repair bills
- Health costs
- Pets (veterinary bills)
- Schooling and school fees

Generally, business expenses and future anticipated expenses do not satisfy the test of reasonable and immediate family living expenses.

3.3 Evidence of income

You must provide evidence of income for yourself, and your spouse or partner, to allow us to assess your application. This can be in the form of Centrelink/DVA benefit income statements, payslips, bank statements and other evidence of income (e.g. rental income, shares and other investments). If evidence of income is not provided we will be unable to assess your claim.



3.4 Evidence of debt/expense

You must provide evidence of debt and expenses to allow us to assess your application. Evidence of debt/expenses may include, but is not limited to:

- overdue power and water notices
- overdue telephone bills
- rental arrears notice
- overdue credit card notice
- overdue loan repayments
- any further outstanding expenses and debt repayments

The following are not considered reasonable and immediate family living expenses:

- Pay TV
- Broadband exclusively for entertainment
- Phone cards
- Cigarettes, alcohol, gambling / lotto / scratchies
- Electronic equipment
- Haircuts / beautician treatments
- Paper / magazine subscriptions
- Sport

3.5 How much can be released?

If you satisfy the conditions for release of your benefit on these grounds and you are applying on the basis that you have been in receipt of Commonwealth income support payments for a continuous period of 26 weeks, and you are still receiving those payments, you will be entitled to one single lump sum payment in any twelve month period. The minimum payment is \$1,000 (or the balance of your benefit if it is less than \$1,000). The maximum amount of lump sum payment each year is **\$10,000** (before tax), although the actual amount that may be approved for release will be determined by the Trustee following assessment of your application.

4. CASE 2 applicants

4.1 What conditions apply?

You can apply for a financial hardship benefit under Case 2 if:

- you have reached your preservation age (see table below); and
- you are not gainfully employed (part time or full time) at the date of this application; and
- you have been in receipt of a Commonwealth income support payment for a cumulative period of 39 weeks since reaching preservation age.

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

If you are applying under Case 2, you must provide the following documents to support your application.

- A **letter** from Centrelink or the Department of Veterans' Affairs (DVA) (depending on which body makes your income support payments) stating that you have been receiving Commonwealth income support payments for a cumulative period of 39 weeks since reaching age 55.
- A **Statutory Declaration** stating, among other things, that you have reached preservation age, you are unemployed or employed for less than 10 hours a week at the date of this application, and you have been in receipt of a Commonwealth income support payment for a cumulative period of 39 weeks since reaching preservation age.
- Certified **proof of identity** (see **Proof of identity and certification**).



4.2 How much can be released?

There are no cashing restrictions and your entire benefit may be paid.

5. All applicants

5.1 Income support payments and the Centrelink/DVA letter

Commonwealth income support payments include:

- Income support supplements
- Service pension
- Social security pension
- Drought relief payments
- Exceptional circumstances relief payments
- Commonwealth Development Employment Projects (CDEP) Scheme payments.

AUSTUDY payments are not included.

IMPORTANT: You must advise Centrelink/DVA if you receive a financial hardship benefit payment as this may affect your Commonwealth income support payments.

Centrelink/DVA has developed a specific letter to be issued to anyone claiming early release of superannuation benefits on the grounds of severe financial hardship. When applying to Centrelink/DVA for this letter, it is important that you tell Centrelink/DVA the reason for your request.

Centrelink/DVA will be able to advise you whether the particular payments you receive qualify as income support payments under the Federal Government's superannuation rules. For Case 1 applicants, the Centrelink/DVA letter must be dated within 21 days of your application. If all requirements are not met at the time of the application, another current letter may be required.

Your application cannot be accepted if the appropriate Centrelink/DVA letter is not attached.

5.2 What tax is payable?

The tax payable will depend on your age and whether you have provided your tax file number (TFN). Your benefit payment will generally be comprised of a tax-free component and a taxable component, and the components of the amount paid will be in proportion to the amount of tax-free and taxable portions of your total benefit.

We will calculate how much of your before tax benefit should be released to provide the after-tax amount that is approved for release to relieve the financial hardship.

5.3 Proof of identity and certification

In order to protect your benefit entitlement and to ensure your privacy is maintained, we require you to provide **certified documentation** verifying your identity before your request can be processed. A list of people who are authorised to certify these documents is included below.

You should provide EITHER one document from Part A, OR two documents from Part B (one from each list).

Part A – Acceptable primary ID documents

Provide **ONE** valid document from this section:

- Current Australian State/Territory driver's licence containing a photograph of the person
- Australian Passport (a passport that has expired within the preceding two years is acceptable)
- Card issued under a State or Territory for the purpose of providing a person's age containing a photograph of the person
- Foreign passport or similar travel document containing a photograph and the signature of the person*

OR

Part B – Acceptable secondary ID documents

ONE valid option from this section:

- Australian birth certificate
- Australian citizenship certificate
- National identity card issued by a foreign government containing a photograph of the person in whose name the card was issued*

AND

ONE valid option from this section:

- A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address
- A document issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or by the Commonwealth to the individual) which contains the individual's name and residential address
- A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address)
- Foreign driver's licence that contains a photograph of the person in whose name it was issued and the individual's date of birth*
- Pension card issued by Centrelink
- Health card issued by Centrelink.

* Documents not written in English must be accompanied by an English translation prepared by an accredited translator.

Certification of personal documents

The person who is authorised to certify documents must sight the original and the copy and make sure both documents are identical, then make sure all pages have been certified as true copies by writing or stamping "certified true copy" followed by their signature, printed name, qualification (eg. Justice of the Peace, Australia Post employee, etc) and the date.

The following people can certify copies of the originals as true and correct copies:

- a Justice of the Peace
- a person enrolled on the roll of a State or Territory Supreme Court or the High Court of Australia as a legal practitioner
- an Australian consular officer or an Australian diplomatic officer a judge of a court
- a magistrate
- a registrar or deputy registrar of a court
- a Chief Executive Officer of a Commonwealth court
- a permanent employee of Australia Post with five or more years of continuous service
- a finance company officer with five or more years of continuous service (with one or more finance companies)
- an officer with, or authorised representative of, a holder of an Australian Financial Services Licence (AFSL), having five or more years continuous service with one or more licensees
- a notary public officer
- a police officer
- Commissioner for Affidavits
- Commissioner for Declarations.

List of signatories who can witness a Statutory Declaration

A statutory declaration under the Statutory Declarations Act 1959 may be made before:

- (1) a person who is currently licensed or registered under a law to practise in one of the following occupations:
- Chiropractor
 - Dentist
 - Legal practitioner
 - Medical practitioner
 - Nurse
 - Optometrist
 - Patent attorney
 - Pharmacist
 - Physiotherapist
 - Psychologist
 - Trade marks attorney



- Veterinary surgeon
- (2) a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described); or
- (3) a person who is in the following list:
 - Agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public Australian Consular Officer or Australian Diplomatic Officer (within the meaning of the Consular Fees Act 1955)
 - Bailiff
 - Bank officer with 5 or more continuous years of service
 - Building society officer with 5 or more years of continuous service
 - Chief executive officer of a Commonwealth court
 - Clerk of a court
 - Commissioner for Affidavits
 - Commissioner for Declarations
 - Credit union officer with 5 or more years of continuous service
 - Employee of the Australian Trade Commission who is:
 - (a) in a country or place outside Australia; and
 - (b) authorised under paragraph 3 (d) of the Consular Fees Act 1955; and
 - (c) exercising his or her function in that place
 - Employee of the Commonwealth who is:
 - (a) in a country or place outside Australia; and
 - (b) authorised under paragraph 3 (c) of the Consular Fees Act 1955; and
 - (c) exercising his or her function in that place
 - Fellow of the National Tax Accountants' Association
 - Finance company officer with 5 or more years of continuous service
 - Holder of a statutory office not specified in another item in this list
 - Judge of a court
 - Justice of the Peace
 - Magistrate
 - Marriage celebrant registered under Subdivision C of Division 1 of Part IV of the Marriage Act 1961
 - Master of a court
 - Member of Chartered Secretaries Australia
 - Member of Engineers Australia, other than at the grade of student
 - Member of the Association of Taxation and Management Accountants
 - Member of the Australasian Institute of Mining and Metallurgy
 - Member of the Australian Defence Force who is:
 - (a) an officer; or
 - (b) a non-commissioned officer within the meaning of the Defence Force Discipline Act 1982 with 5 or more years of continuous service; or
 - (c) a warrant officer within the meaning of that Act
 - Member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the National Institute of Accountants
 - Member of:
 - (a) the Parliament of the Commonwealth; or
 - (b) the Parliament of a State; or
 - (c) a Territory legislature; or
 - (d) a local government authority of a State or Territory
 - Minister of religion registered under Subdivision A of Division 1 of Part IV of the Marriage Act 1961
 - Notary public
 - Permanent employee of the Australian Postal Corporation with 5 or more years of continuous service who is employed in an office supplying postal services to the public
 - Permanent employee of:
 - (a) the Commonwealth or a Commonwealth authority; or
 - (b) a State or Territory or a State or Territory authority; or
 - (c) a local government authority;



- with 5 or more years of continuous service who is not specified in another item in this list
- Person before whom a statutory declaration may be made under the law of the State or Territory in which the declaration is made
- Police officer
- Registrar, or Deputy Registrar, of a court
- Senior Executive Service employee of:
 - (a) the Commonwealth or a Commonwealth authority; or
 - (b) a State or Territory or a State or Territory authority
- Sheriff
- Sheriff's officer
- Teacher employed on a full-time basis at a school or tertiary education institution.

5.4 Where to send your paperwork

Your completed application form, Centrelink letter and supporting documentary evidence, should be sent to First State Super, PO Box 1229 Wollongong NSW 2500. On receipt of your paperwork, we will assess your eligibility for payment. If payment of your benefit is approved, the payment will be made in your name, and forwarded in accordance with your payment instructions to your home address, bank, building society or credit union account.



FIRST STATE SUPER

FSS Trustee Corporation

ABN 11 118 202 672 AFSL 293340

More information

For more information please contact us:

On the internet:

www.firststatesuper.com.au

By email:

enquiries@firststatesuper.com.au

By telephone:

1300 650 873 for the cost of a local call
(unless calling from a mobile or pay phone)
8.30 am to 5.30 pm (AEST) Monday to
Friday

In writing at our postal address:

PO Box 1229
Wollongong NSW 2500

Important note: This communication contains general information only and does not take into account your specific objectives, financial situation or needs. It is therefore important, before deciding whether to become a member of First State Super (or, if you are already a member, to continue your membership) that you consider the First State Super Product Disclosure Statement (PDS) having regard to your own situation. The PDS is available by visiting our website or by calling us. The information contained in this document is current as at the date of printing. Prepared by FSS Trustee Corporation (FTC) ABN 11 118 202 672, AFSL 293340, as the Trustee of First State Super Superannuation Scheme, ABN 53 226 460 365.

