



When can you receive your superannuation benefit?

The purpose of superannuation is to help you provide for a comfortable retirement. To encourage you to put money into super, the Government gives super certain tax advantages. However, the Government also places strict rules around access to your super savings.

This fact sheet provides a guide to the Government's access rules and how you apply for the payment of your superannuation benefit.

There are a number of other fact sheets that discuss specific conditions under which you may be able to access your superannuation benefits:

- Fact Sheet 7.3 Insurance and disability benefit claims (excluding death claims)
- Fact Sheet 10 Early release of your super on compassionate grounds
- Fact Sheet 11 Early release of a superannuation benefit on grounds of severe financial hardship.

When can your benefit be paid?

Since 1 July 1999, all contributions made to a regulated superannuation fund, regardless of the source of the contributions, and all earnings in respect of those contributions, must be **preserved**. Preservation means that these amounts must remain in the superannuation system until you meet a **condition of release** (see page 2).

Superannuation benefits are allocated to one of three preservation categories and different restrictions apply to each category. While most of your superannuation will probably be **preserved**, your account may also include **non-preserved** components if you had superannuation prior to 1 July 1999. Non-preserved components can be either **restricted** or **unrestricted**.

Preserved benefits – these must be retained in the superannuation system until you meet a condition of release.





Restricted non-preserved benefits – these benefits are not preserved but they cannot be cashed until you satisfy a condition of release. Generally, the restricted non-preserved component and unrestricted non-preserved component of your superannuation is a fixed dollar amount set at 1 July 1999. This amount may be included in money that has been rolled into First State Super. To access the restricted non-preserved portion of your superannuation, you must:

- satisfy one of the conditions of release or
- cease gainful employment with an employer who had, or whose associates had, at any time contributed to First State Super.

Unrestricted non-preserved benefits – these benefits do not require the fulfilment of a condition of release and may be paid upon demand if, for example, you have previously satisfied a condition of release but decided to keep the money in your superannuation fund.

Any unrestricted non-preserved benefits in your superannuation account can be paid directly to you at any time, without a change of employment.

Conditions of release

You can keep your money in superannuation for as long as you wish but you can only access the whole of the **preserved** component of your superannuation if you satisfy a **condition of release**, which is the earliest of one of the following events:

- you reach 65 years of age, whether you are still working or not
- you permanently retire on or after your **preservation age** (see table)
- you reach your preservation age and wish to draw a transition to retirement income stream from your super fund
- you cease employment with an employer on or after reaching age 60 (although you may continue to work in another employment arrangement)
- you ceased employment with an employer before age 60, but you have since reached age 60 and the Trustee is reasonably satisfied that you will not return to work
- you suffer permanent incapacity^{1, 3}.

Date of birth	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
After 30 June 1964	60



In certain **limited circumstances**, you may be able to access all or part of your preserved component. These circumstances include:

- the release of your account balance if you suffer from a terminal medical condition^{2, 3}
- you are temporarily incapacitated and have income protection insurance through the Fund, in which case the income protection insurance amount can be accessed³
- you meet the criteria for early release on specified compassionate grounds (subject to the Australian Prudential Regulation Authority's (APRA) approval and conditions)
- you meet the eligibility requirements for severe financial hardship (subject to Trustee approval and conditions)
- you are an eligible temporary resident and have permanently left Australia (limited to certain visa categories and not available to New Zealand citizens)³
- you (or the Australian Taxation Office (ATO)) provide a valid release authority to the Trustee for payment of tax on excess concessional or non-concessional contributions³
- you terminate employment with an employer-sponsor of the Fund, and your preserved benefit at that time is less than \$200
- you were previously classified as a lost member who is found, and the value of your benefit in the Fund, when released, is less than \$200.

¹ Permanent incapacity, in relation to a member, means ill health (whether physical or mental), where the Trustee is reasonably satisfied that the member is unlikely, because of the ill health, to engage in gainful employment for which the member is reasonably qualified by education, training or experience.

² You can apply to have part or all of your account balance released on the basis of a terminal medical condition if two registered medical practitioners, at least one being a specialist practicing in an area related to the illness or injury, certify that you suffer from an illness, or have incurred an injury, that is likely to result in your death within a period that ends not more than 12 months after the date of the certification.

³ These are the only conditions of release that apply to temporary residents (from 1 April 2009).

The benefit payment application procedure

Before you complete the paperwork, there are a number of things that you should do and/or consider.

- Contact First State Super to obtain a pre-payment statement.
- You may wish to seek advice from a licensed or authorised financial adviser before completing your application.
- If you are opening a new bank account, ensure it is open before returning the application form.
- If you have not provided your tax file number (TFN) to First State Super, we recommend that you complete and send a *Tax file number collection* form to First State Super. You do not have to provide your TFN to First State Super but if you don't, we may be required to deduct tax from both your employer contributions since 1 July 2007 and the taxable component of your benefit at the highest marginal rate plus Medicare levy (46.5%).
- The Trustee cannot pay a benefit to a third party. Your benefit must be paid to you or your nominated rollover institution.
- If you are transferring your benefit to another fund, please supply the full name of the superannuation fund you are rolling your benefit into, including the Australian Business Number (ABN) and the Superannuation Product Identification Number (SPIN).
- Please ensure you answer all questions on the payment application form, and pay particular attention to the **proof of identity** requirements.
- If you are a temporary resident of Australia (and not a New Zealand resident) and you are considering a benefit payment request, you should go to the ATO website for payment details. From the ATO website home page, click *Super Funds*, then *About superannuation/For individuals/Individuals superannuation essentials/Temporary resident*.



Part payments

You can apply for payment of part of your benefit subject to meeting preservation requirements. For example, you may wish to be paid some or all of your unrestricted non-preserved benefit, or roll over part of your benefit to another superannuation fund. Part payments are subject to the requirement that at least \$1,500 must remain in your account after the part payment is made. This requirement does not apply to payments made on financial hardship or compassionate grounds.

The paperwork

- Complete an *Application for payment of your benefit* form OR *Application for payment of a disablement benefit* form (whichever applies) and send it to First State Super. You can download the relevant forms from the website at www.firststatesuper.com.au or request them from Customer Service.
- If you have left the employment of a participating employer of First State Super within the last six months, ask your former employer to fill out the **Employer to complete** section of your benefit payment application form.
- If you have changed your name, we will also need certified* evidence of your name change.
- If you have reached your preservation age (when the preserved part of your benefit can be released) or you are applying for a disablement benefit, you must provide First State Super with **certified* evidence of your age**, such as a copy of your birth certificate or driver's licence.
- If you are aged 55–60 and wish to have any preserved benefit paid directly to you, please ensure you complete the declaration (on the application for payment form) stating that you have **retired permanently** from the workforce.
- If you are aged 60–65, advise First State Super that you are **leaving or changing** employment.

* Certified means you will need to have your copies of original documentary evidence signed by a solicitor, Justice of the Peace or other eligible signatory (as listed on the form) as a true copy of the original.

How much is your benefit and how is it paid?

The amount of your superannuation benefit (other than a temporary incapacity benefit) is equal to the value of your account balance, plus any insured benefit paid to the Fund by the insurer. The amount of a temporary incapacity benefit is equal to the insurance benefits paid by the insurer as a result of the temporary incapacity.

All benefits (other than income protection insurance benefits) are payable as a lump sum or, if you are eligible, as a First State Super retirement income stream. If you have income protection cover through the Fund and you suffer temporary incapacity we will instruct the insurer to pay the insurance benefit directly to you.

If the benefit is paid directly to you, (taken as “cash”) it will be paid by cheque in your name or as a deposit to your nominated account.

If you have requested a rollover or transfer of your benefit to another complying superannuation fund, approved deposit fund or retirement savings account, your benefit will be paid directly to that fund or account.

A \$36 exit fee is generally payable for each benefit payment. If your account is eligible for member benefit protection (ie. your account balance is less than \$1,000 and contains superannuation guarantee contributions), the exit fee may be partly or fully rebated.



Payment of death benefits

If you die while you are a member of First State Super, your benefit will normally be paid to one or more of your dependants or your legal personal representative. You can nominate the people you would like to receive the death benefit by completing either a binding or non-binding death benefit nomination. If you have not made a binding nomination, the Trustee may exercise its own discretion in determining the beneficiaries of a death benefit.

When will you receive your benefit?

Depending on how regularly your employer pays contributions to First State Super (ie. fortnightly or monthly) and when you leave employment, it may be a few weeks before the last contribution is received from your former employer.

Normally we will wait until the last contribution has been received before processing your application. If you wish, you can ask to have your benefit paid in two parts, but you will have to pay two exit fees.

Provided that all relevant forms and information outlined above are sent with your application to First State Super, you will generally receive payment of your benefit within five working days from the date of receipt of your application.

To ensure there is no delay in payment, you might like to check that:

- First State Super has received your application form and the relevant information.
- Your employer has forwarded your last contribution to First State Super.

Rolling over your benefit

You can roll over all or part of your benefit to another complying superannuation fund at any time. If you wish to roll over **part** of your benefit and retain your First State Super membership, you must leave at least \$1,500 in your account. If you wish to roll over your **entire** benefit, your membership of First State Super will cease, along with any insurance cover you may have.

If you are rolling over to a self-managed superannuation fund (SMSF), we are required to confirm with the Australian Taxation Office that the fund to which the payment is being made is a regulated superannuation fund. If we are unable to confirm that your chosen SMSF is a regulated superannuation fund, you must provide the following information before your request can be processed:

1. The ATO "New Trustee Letter"; OR
2. The Funds most recent Annual Return lodged with the ATO.

The components of your rollover will be in accordance with preservation requirements of superannuation and taxation law.

Further information

You can request that First State Super provide any information necessary to understand your benefit entitlements. This might include information about exit and other fees, insurance cover and investment options. To obtain further information regarding First State Super and your benefit entitlements please contact Customer Service on 1300 650 873 or visit the website www.firststatesuper.com.au.



FIRST STATE SUPER

FSS Trustee Corporation

ABN 11 118 202 672 AFSL 293340

Contact

Internet

www.firststatesuper.com.au

Email

enquiries@firststatesuper.com.au

Phone

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, Monday to Friday

Post

PO Box 1229,
Wollongong NSW 2500

Personal interview

Level 18
83 Clarence Street, Sydney NSW 2000
Please call first on (02) 9238 5540 to make
an appointment.

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.

