



Early access to superannuation benefits

Who should read this?

CSS members who wish to claim their CSS benefit early on severe financial hardship and members who have been granted access on specified grounds under a determination made by the Department of Human Services (DHS).

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What you should know up front

It is important that you read the disclaimer at the end of this fact sheet. Before making any decisions, please read the **CSS product disclosure statement** and consider seeking advice from a licensed professional such as a financial planner, accountant or solicitor.

How can I get early access to my CSS benefit?

You can qualify for early access to your superannuation benefits on two grounds.

Financial Hardship – under age 55

To qualify for a release on the grounds of severe financial hardship, you must have been continuously receiving Commonwealth income support payments for 26 weeks at the date you lodge your application and supporting documents.

You will need to supply us with your Centrelink customer reference number (CRN) which we will use to confirm your eligibility with Centrelink. If you are receiving a benefit from the Department of Veterans' Affairs, you will need to supply a letter from them confirming your payments.

Generally we only release money for reasonable family expenses that are due and payable immediately. You will need to supply documentary evidence to support your application.

We will assess your application against the relevant guidelines and determine how much of your super will be released. The amount released cannot exceed \$10,000 gross and only one payment can be approved in any 12 month period.

Financial Hardship – over age 55

You can still gain early access to your benefit on severe financial hardship grounds if you meet the criteria shown above. If you prefer not to give us details about your financial situation, you may gain early access if you meet the following criteria:

- > you have reached your preservation age and
- > you are not in either full-time or part-time employment and
- > you have been receiving Commonwealth income support benefits for periods totalling 39 weeks or more at the date you lodge your application.

Alternatively, you may wish to consider claiming your full benefit on age retirement grounds. You can find more information at www.css.gov.au.

Specified grounds

If you do not qualify for early access to your super benefits on severe financial hardship grounds, you may consider asking DHS to approve the release of benefits on specified grounds. You may be able to claim:

- > medical expenses
- > renovations to your home necessitated by severe disability
- > mortgage payments – to prevent loss of your home.

All enquiries regarding applications for early release on these grounds should be directed to DHS on **1300 131 060**. An application form is also available from their website at www.humanservices.gov.au.

If you have already received a DHS approval for the release of your benefit on specified grounds, please complete our **Early access to superannuation benefits** application form. You do not need to complete **Section B**, which deals with the release of benefits on financial hardship grounds. You will need to supply a copy of your DHS approval letter with your application.

Which Commonwealth income support payments are accepted?

Commonwealth income support payments include:

- > income support supplements
- > service pensions
- > social security benefits
- > social security pensions.

Family allowance, Austudy payments or youth allowance payments in relation to full-time study are not eligible.

To make sure you have been receiving a benefit for the appropriate period, please complete the authority in **Section B** of the application form so we can confirm your details with Centrelink.

If you are receiving a benefit from the Department of Veterans' Affairs, you must include a statement from them with your application. This statement is only valid for 21 days from the date on the statement and must refer to you and not to other members of your family.

What evidence will I need to supply?

Some claims require specific documentary evidence, for example:

Motor vehicle expenses (registration, insurance, repairs and/or purchase) – in order to approve these claims you must provide a statutory declaration stating why your motor vehicle is considered an essential living expense. For example, you live in a remote area with no public transport, or you rely on the vehicle due to a medical condition. You must also supply a current quote for repairs, or for the cost of a new vehicle.

Establishing a household – If you are in financial hardship because you need to set up a new household, in order for your claim to be considered you must provide:

- > a letter from a real estate agent or landlord detailing the bond and rent payable.
- > a list of **essential** household items required and their approximate cost. Please note that items such as televisions, stereos and computers are not considered essential.

Personal loans from family and friends will not be considered as evidence of immediate expenses associated with everyday living.

Money will be released for some items on only one occasion. What are these items?

- > Clearing a credit card or general interest loan debt (only minimum payments due will be considered for future claims)
- > Private school fees

What components of my benefit can be released?

As a CSS member, you can access any of your taxed components – this includes your member component, post-1990 productivity, fund earnings on your benefit and any taxed transfer values.

How does the early release reduce my final benefit?

When you access part of your benefit on account of financial hardship or other specified grounds, instead of reducing your benefit at that time, we create an early release deduction amount (ERDA) for you. This ensures your defined benefit is unaffected until we pay your final benefit.

The amount paid to you will be recorded and the ERDA will increase with fund earnings (or decrease if earnings are negative). The total amount in the ERDA will be deducted from your final benefit at the time it is paid. The amount of the ERDA and fund earnings will be recorded on your annual member statement.

When you claim your final benefit, the value of the ERDA including fund earnings at your date of exit will be deducted from your final benefit payment. The ERDA will be deducted from the funded components of any lump sum

entitlement first. Should the value of your ERDA exceed the funded components of the lump sum benefit payable to you, the balance will be deducted from your pension as an ongoing fortnightly deduction.

The ongoing deduction will be calculated by dividing the amount of the ERDA at the date of exit by a pension reduction factor based on your life expectancy.

For example:

A member elects to take a maximum pension on the grounds of age retirement. They are 55 years old. The value of their ERDA at their date of claim is \$6,000.00. The relevant pension reduction factor for the additional pension for a 55 year old is 14.3. Therefore:

$$\$6,000.00 / 14.3 = \$419.58 \text{ reduction per annum}$$

The tax components of your pension entitlement will also be reduced accordingly in line with any tax free or taxable taxed amounts released previously as part of your early release payment. For more information about the tax components of your pension, please refer to our fact sheet **Taxation concessions for pensions.**

Will I lose my pension entitlement?

No. All of your benefits are maintained.

It is important to note that if you are a deferred benefit member, the amount of your pension will be reduced.

How are my benefits released?

Complete the Early access to superannuation benefits application form then send it to us, along with any documentation, for processing and approval.

Where can I get more information?

EMAIL members@css.gov.au

PHONE 1300 000 277

FAX 02 6272 9612

MAIL CSS
PO Box 22
Belconnen ACT 2616

WEB www.css.gov.au

Warning - This Document Contains General Advice or Information Only

Any advice in this document has been prepared without taking account of your personal objectives, financial situation or needs. Because of this, you should, before acting on any advice in this document, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. You may wish to consult a licensed financial planner to do this.

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