



## COVID-19 Early Release FAQs

While superannuation helps people save for retirement, the Federal Government recognises that some people are significantly affected by the global pandemic and accessing some of their superannuation today may be necessary to alleviate short-term financial hardship.

The Federal Government is allowing people who are financially affected by the COVID-19 to access up to \$10,000 of their superannuation in the 2019-20 Financial Year and a further \$10,000 the following Financial Year 2020-21.

If you are considering accessing some or part of your super we would strongly urge you to seek financial advice before making the decision. Withdrawing from your super now could have a significant impact on your retirement lifestyle. Below is a list of frequently asked questions to help you navigate your way through the Temporary Early Release process.

### 1 How do I know if I am eligible?

To apply for early release you must satisfy any one or more of the following requirements:

- you are unemployed; or
- you are eligible to receive a job seeker payment, youth allowance for jobseekers, parenting payment (which includes the single and partnered payments), special benefit or farm household allowance; or
- on or after 1 January 2020: you were made redundant; or your working hours were reduced by 20 per cent or more; or if you are a sole trader — your business was suspended or there was a reduction in your turnover of 20 per cent or more.

### 2 How do I apply?

If you are eligible for this new ground of early release, you will need to apply directly to the ATO through the myGov website ([www.my.gov.au](http://www.my.gov.au)). You will also need to certify that you meet the eligibility criteria. If you cannot apply via the myGov website, contact the ATO Helpline. You cannot apply through your super fund.

### 3 When can I apply?

You will be able to apply for early release of your superannuation from 20 April, 2020. You will need to lodge your application with the ATO:

- by 30 June 2020 for a 2019/20 release; and/or
- from 1 July 2020 to 24 September 2020 for a 2020/21 release.

#### **4 How will I know that I will get the payment?**

After the ATO has processed your application, they will issue you with a determination. The ATO will also provide a copy of this to your super fund. Your super fund will then make the payment to you, without you needing to apply directly to your super fund.

#### **5 I'm an Australian citizen living overseas who has been impacted by COVID-19, am I still eligible?**

Yes, this is available to all Australian citizens and permanent residents. New Zealand citizens, with Australian held super, are also eligible.

#### **6 Will this affect the tax payable on my current Financial Hardship or Compassionate Grounds Payments that are not yet paid?**

No, zero tax only applies to the special COVID-19 releases. Any other release applications already in progress will be processed under the standard rules, including the tax payable.

#### **7 How will it be paid/who should I advise my bank account details to?**

The ATO will require your bank details, it will be requested when you lodge your application. The ATO will also ask you for your permission to pass on your bank details so we can release the money into that account. There is no need to contact your super fund.

#### **8 What if I don't receive a determination letter from the ATO?**

If you have applied and received a determination letter from the ATO but we haven't received a request to pay then you would need to contact the ATO to follow up. We will be receiving these determinations electronically directly from the ATO.

#### **9 What happens if my application is rejected?**

If your application is rejected then you will be notified via your MyGov account in 2-3 days. We will have no visibility of rejections.

#### **10 What happens if I request \$10,000, but don't have enough in my account? Will you let me know or will you just release what's in the account and close it?**

If a nominated super fund holds less than the amount nominated in a Determination, we are required to pay the amount available, which will be less than the release amount you applied for. This payment may cause your account to be closed and any insurance benefits held within your superannuation fund may be lost. You will be notified at a later date.

### **11 What if I want to make a second application because I didn't ask for the full \$10,000?**

Only one COVID-19 application is allowed per financial year. If you apply for less than \$10,000 you cannot apply for more funds in the same year, even if the total would not exceed the \$10,000 maximum. For example, if you apply for release of \$6,000 in 2019/20 then you cannot later apply for release of a further \$4,000 for the year. You will need to make a new application from 1 July to 24 September 2020.

### **12 Can the release be taken from multiple super accounts?**

A release amount can be split across a number of super accounts. You will be able to specify on your myGov application which fund or funds you want the release amount drawn from.

### **13 Will the super payment be taxed?**

No, you don't need to pay tax on the money released and it will not affect Centrelink or Veterans' Affairs payments.

### **14 Can I return the money into my super if I don't need it all?**

You can make a member contribution back into your super account and this would count towards your non-concessional caps.

**For more information visit the ATO website ([www.ato.gov.au](http://www.ato.gov.au)).**