

COVID-19 – Accessing your superannuation early

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You may be aware that the Government recently announced measures which allow individuals affected by the economic impacts of COVID-19 to access a limited amount of their superannuation early.

Making the decision to access your superannuation early is a significant one and if possible, should be encompassed by financial advice.

The Australian Taxation Office have now released guidance on the process for accessing superannuation early from SMSFs to assist in cushioning the adverse economic effects of Coronavirus.

How much can you take out?

You will be able to apply online through the myGov website (<https://my.gov.au/>) to access up to \$10,000 of your superannuation before 1 July 2020.

You can access a further \$10,000 of your super from 1 July 2020 until 24 September 2020.

You will only be able to make one request for each financial year. For example, should you nominate for a lesser withdrawal amount in 2019/20, you will not be able to apply again before 1 July 2020 for the remainder nor will you be able to apply for more than \$10,000 from 1 July 2020.

If you access your superannuation you will not be required to pay tax on amounts released and any amounts withdrawn will not affect your Centrelink or Veterans' Affairs payments. These amounts will also not be included in your assessable income for the financial year the withdrawal is made.

Satisfying early release requirements

The intention of the legislation is that you are adversely affected by the economic impacts of COVID-19 and require early access to your superannuation which is ordinarily preserved until your retirement.

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

- You are unemployed.
- 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.
- On or after 1 January 2020, any of the following happened:

- o You were made redundant.
- o Your working hours were reduced by 20% or more.
- o You were a sole trader and your business was suspended or your turnover decreased by 20% or more.

These are the only requirements that must be considered.

How to apply to access your superannuation

From today, those affected can register their interest to access through the myGov website (<https://my.gov.au/>).

If you satisfy one or more of the requirements entitling you to access your superannuation early, you will be able to do so from mid-April.

After applying through myGov, the ATO will issue you with a determination advising of your eligibility to release an amount. Only once your SMSF receives the determination from you, will the trustee be authorised to make the payment. If you apply to access superannuation benefits from a non SMSF, the determination will be issued by the ATO direct to the APRA regulated funds and the trustee will proceed to release your benefits to a nominated bank account.

Other ways to access superannuation

You may be allowed to withdraw some of your super due to other reasonings, such as

- Access on compassionate grounds
- Access due to severe financial hardship
- Access due to a terminal medical condition
- Access due to temporary incapacity
- Access due to permanent incapacity
- Your super balance is less than \$200

I would recommend getting in touch with me to discuss your specific circumstances in more detail to ensure you aren't breaching any regulations.

How can we help?

If you need assistance with the early access of your superannuation or whether this is the right action for you and your specific circumstances, please contact us

Call 1300 707 955

support@cpfinancialplanning.com.au

We can arrange a syke zoom or facetime meetings,