

## Early Release of a Benefit on Compassionate Grounds – Temporary measure to assist with the financial impact of COVID-19 (Coronavirus)

The Commonwealth Government is allowing individuals affected by COVID-19 to access up to \$10,000 of their superannuation in the 2019-20 financial year and up to a further \$10,000 in the 2020-21 financial year.

While superannuation helps people save for retirement, the Government recognises that for those significantly affected financially by COVID-19, accessing some of their superannuation today may outweigh the benefits of maintaining those savings until retirement.

### What should I do if I want to apply for an early release payment?

Applying for an early release payment is a two-step process. Eligible individuals must lodge an application with the Australian Taxation Office (ATO) through ATO online services in myGov (<https://my.gov.au>); and complete STC Form 241 *Application for Early Release of a Benefit on Compassionate Grounds to assist with the financial impact of COVID-19 (Coronavirus)*.

In the first instance, we recommend you call one of our team in the State Super Customer Service Centre (or email [enquiries@stc.nsw.gov.au](mailto:enquiries@stc.nsw.gov.au)) so they can explain the effect on your retirement benefit by taking an early release payment. They can also guide you to the relevant State Super form and explain the significance of you providing written consent to a reduction in your scheme benefits to offset the early release payment.

Should you still wish to proceed, you will need to lodge your application directly to the ATO via the MyGov website, as mentioned above. If you meet the eligibility conditions and the ATO approves your application, they will notify us directly. Once we receive the ATO approval and your State Super application form we can make your payment.

### About the measure

The government is allowing individuals affected by COVID-19 to access up to \$10,000 of their superannuation in 2019–20 and a further \$10,000 in 2020–21. Individuals are not required to pay any tax on amounts released under this measure.

Eligible Australian and New Zealand citizens and permanent residents will be able to apply online through myGov for an early release payment, and can access up to:

- \$10,000 of their super before 1 July 2020
- a further \$10,000 from 1 July 2020 until 24 September 2020.

Applications will only be able to be made through myGov up until 24 September 2020. Applicants are not required to attach evidence to support their applications, however, they should retain records and documents to confirm their eligibility.

If you are considering applying for a payment, you may wish to seek financial advice before starting your application.

The SAS Trustee Corporation (STC) is administered by Mercer Administration Services (Australia) Pty Ltd on behalf of the Trustee, SAS Trustee Corporation (STC). STC is governed by the *Superannuation Act 1916*, the *State Authorities Superannuation Act 1987*, the *State Authorities Non-contributory Superannuation Act 1987*, the *Superannuation Administration Act 1996* and the *Police Regulation (Superannuation) Act 1906*. The schemes are also subject to Commonwealth superannuation and tax legislation.

STC has published this fact sheet. STC is not licensed to provide financial product advice in relation to STC.

Reasonable care has been taken in producing the information in this fact sheet and nothing in it is intended to be or should be regarded as personal advice. If there is any inconsistency between the information in this fact sheet and the relevant scheme legislation, the scheme legislation will prevail. In preparing this fact sheet, STC has not taken into account your objectives, financial situation or needs. You should consider your personal circumstances, and possibly seek professional advice, before making any decision that affects your future.

To the extent permitted by law, STC, its directors and employees do not warrant the accuracy, reliability or completeness of the information contained in or omitted from this fact sheet.

## Who is eligible to apply?

Early release on compassionate grounds is available, subject to conditions, to members of the State Authorities Superannuation Scheme (SASS), State Superannuation Scheme (SSS) and the Police Superannuation Scheme (PSS). A member of these schemes may be able to access part of their benefit while they are still contributing to their respective scheme as an active member. A member receiving a pension is not eligible for an early release payment.

A scheme benefit that was deferred when the scheme member left NSW public sector employment may also be released.

Under the new rules, to apply for early release, 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, either
  - you were made redundant
  - your working hours were reduced by 20% or more
  - if you were a sole trader, your business was suspended or there was a reduction in your turnover of 20% or more.

## What benefit is payable?

The actual amount that may be approved for release will be determined by the ATO and the scheme administrator on the basis of your application. The ATO can only approve up to \$10,000 before 1 July 2020 and up to a further \$10,000 from 1 July 2020 to 24 September 2020. The ATO will only approve one release application made through myGov for an individual in each financial year.

The amount released also cannot exceed the value of your accrued withdrawal (resignation) benefit. In the case of a deferred benefit, this is the immediate lump sum (see your annual statement).

## How do you apply?

Applying for an early release payment is a two-step process. Eligible individuals must apply as follows:

**Step 1:** An application must be made to the Australian Taxation Office (ATO) through ATO online services in myGov (<https://my.gov.au>); and

**Step 2:** An application form must be submitted to State Super.

**Step 1:** Applications for early release of superannuation (super) are made through ATO online services in myGov from 20 April 2020. If you do not already have a myGov account, you can set one up by going to the myGov website (<https://my.gov.au>) and selecting Create an account at the bottom of the screen and following the instructions.

Once you access the myGov application process you will be required to confirm that you are eligible for an early release payment. If you are eligible and nominate that a payment is to be made from a State Super account, the ATO will make a determination allowing the payment, and will notify both you and State Super when the determination is made.

Further information on applying through myGov is contained on the ATO website at the following address:

<https://www.ato.gov.au/individuals/super/withdrawing-and-using-your-super/Early-access-to-your-super/#Compassionategrounds>

**Step 2:** Eligible individuals must also lodge an application form with State Super, using STC Form 241: *Application for Early Release of a Benefit on Compassionate Grounds to assist with the financial impact of COVID-19 (Coronavirus)*, which is available on the State Super website. State Super is only able to make an early release payment if you provide written consent to a reduction in your scheme benefits to offset the early release payment. You will be asked to provide this consent in the application form.

Your completed application form should be sent to the postal address shown on the form.

## How will an early release payment affect my benefit?

The early release of part of your superannuation benefit will reduce the amount of the scheme benefits you will receive in the future.

Where a payment is made from a deferred benefit, the benefit is reduced when the early release payment is made.

If you are a current contributor, a debt account is created for the amount of the early release payment. The balance of this account is adjusted for interest at the fund earning rate. The accumulated debt will be deducted from your benefit when it is either deferred in the scheme or is paid to you e.g. at retirement age. The debt will be deducted from the SANCS entitlement first. If a reduction of a pension benefit is required, it will be calculated using actuarial factors.

Details of your debt account or deferred benefit reduction, as appropriate, will be shown on your annual statement.

## What tax is payable?

No tax is payable on early release payments made to assist members deal with the financial impact of COVID-19. This means that no tax will be deducted from a payment when it is made, and the amount of the payment does not need to be included in your income tax return as taxable income.

## Proof of identity

You will need to provide certified documentation with your application form to prove that you are the person to whom the superannuation entitlements belong.

A list of acceptable documents and persons who can certify copies of these documents is included in STC Form 241: *Application for Early Release of a Benefit on Compassionate Grounds to assist with the financial impact of COVID-19 (Coronavirus)*.

## What should I do next?

If you want to proceed with applying for an early release payment, you should apply through myGov from 20 April 2020. You should also send your completed STC Form 241: *Application for Early Release of a Benefit on Compassionate Grounds to assist with the financial impact of COVID-19 (Coronavirus)* to the postal address shown below. You should generally expect a response to your application within five working days after all necessary documentation has been received by Mercer.

## More information

If you need more information, please contact us:

**Telephone:** **SASS** 1300 130 095 **SSS** 1300 130 096 **PSS** 1300 130 097 **Deferred Benefits** 1300 130 094  
8.30 am to 5.30 pm, Monday to Friday.

**Personal interviews:** Please phone to make an appointment.

**Postal address:** State Super, PO Box 1229, Wollongong NSW 2500

**Internet:** [www.statesuper.nsw.gov.au](http://www.statesuper.nsw.gov.au)

**Email:** [enquiries@stc.nsw.gov.au](mailto:enquiries@stc.nsw.gov.au)