



# Early access to superannuation

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

## TEMPORARY EARLY ACCESS TO SUPERANNUATION

### Summary

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

Eligible individuals will be able to apply online through myGov to access up to \$10,000 of their superannuation before 1 July 2020. They will also be able to access up to a further \$10,000 from 1 July 2020 for approximately three months (exact timing will depend on the passage of the relevant legislation).

### Eligibility

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.

People accessing their superannuation will not need to pay tax on amounts released and the money they withdraw will not affect Centrelink or Veterans' Affairs payments.

### How to apply

If you are eligible for this new ground of early release, you can apply directly to the ATO through the myGov website: [www.my.gov.au](http://www.my.gov.au). You will need to certify that you meet the above eligibility criteria.

After the ATO has processed your application, they will issue you with a determination. The ATO will also provide a copy of this determination to your superannuation fund, which will advise them to release your superannuation payment. Your fund will then make the payment to you, without you needing to apply to them directly. However, to ensure you receive your payment as soon as possible, you should contact your fund to check that they have your correct details, including your current bank account details and proof of identity documents.

Separate arrangements will apply if you are a member of a self-managed superannuation fund (SMSF). Further guidance will be available on the ATO website: [www.ato.gov.au](http://www.ato.gov.au).

### Timing

You will be able to apply for early release of your superannuation from mid-April 2020.

### Budget impact

This measure is expected to have a cost of \$1.15 billion over the forward estimates.

### Ed the bartender

Ed works in a popular bar in Melbourne. As a result of the Coronavirus, Ed has had his work hours reduced from 40 hours on average in the second half of 2019 to 20 hours per week on average in May 2020. As a result, Ed determines that his hours over the last month have reduced by more than 20 per cent compared to the average of his hours over the last six months of 2019.

Ed decides to apply for the early release of \$8,000 of his superannuation in May 2020 to help pay his rent and other living expenses. Ed self-certifies that he is eligible for early release on myGov. He could have applied for up to \$10,000, but chose not to. Ed cannot seek any further early release of superannuation in 2019-20 on the grounds that he has been affected by the adverse economic effects of the Coronavirus.

However, Ed finds after 1 July 2020 that his hours continue to be reduced by more than 20 per cent compared to the average of his hours in the last six months of 2019. Ed decides to make a second application and self-certifies through myGov that he is eligible for early release. He is able to apply again for a release of up to \$10,000 of his superannuation. Ed submits a second application for the full amount of \$10,000 this time.

For each application, the ATO approves Ed's early release and notifies both him and his superannuation fund. Ed has received a total of \$18,000 of his superannuation in two separate payments. He will not be taxed on this amount and is free to spend this money on anything he chooses, or save it for future expenses. He is also free to re-contribute any unused amounts to his superannuation in the future (within his contribution caps).

### Rachel the sole trader

Rachel is a sole trader with a catering business. At the end of July 2020, Rachel seeks to apply for an early release from her superannuation for the 2020-21 financial year.

Due to the economic effects of the coronavirus, Rachel's turnover for July is \$5,000 compared to \$10,000 on average per month for the second half of 2019. Rachel therefore determines that her turnover has reduced by more than 20 per cent compared to her average turnover over the last six months of 2019.

Rachel self-certifies that she is eligible for early release and applies to have \$10,000 released from her superannuation.

## FOR MORE INFORMATION

For more information on the Australian Government's Economic Response to the Coronavirus visit [treasury.gov.au/coronavirus](https://treasury.gov.au/coronavirus).

Businesses can visit [business.gov.au](https://business.gov.au) to find out more about how the Economic Response complements the range of support available to small and medium businesses.