

Access to super and tax

This fact sheet explains how and when you can access your super, and covers some of the tax rules and implications you will need to consider.

Access to your super

Access to your super depends on:

- the 'preservation' status of your superannuation funds (defined below)
- the type of superannuation fund and benefit
- your age, and
- your employment status.

There are other circumstances where you may have access to your super.

Preservation status

'Preservation' means you have limited access to your super until you satisfy a 'condition of release'. Common conditions of release include permanent retirement from the workforce after reaching your preservation age (see below) or ceasing an employment arrangement after reaching age 60, death, total and permanent disability, commencement of a transition to retirement income stream, early release through severe financial hardship and compassionate grounds.

Your preservation age is the age at which, if you elect to retire permanently from the workforce, you can access to your super.

Birth date	Preservation age
Before 01/07/1960	55
01/07/1960 to 30/06/1961	56
01/07/1961 to 30/06/1962	57
01/07/1962 to 30/06/1963	58
01/07/1963 to 30/06/1964	59
01/07/1964 and after	60

Preservation components

Benefits may contain the following preservation components:

- preserved component
- restricted non-preserved component
- unrestricted non-preserved component.

Refer to *Accessing your super (AP.6)* (available on our website) for further information.

Fund type

If you're a defined benefit fund member under age 65, even if you've reached your preservation age, you need to meet a condition of release to access your benefit.

Accumulation plan members also need to satisfy a condition of release to access their preserved benefit.

You can access the preserved component of your superannuation account if you commence a transition to retirement income stream like the working income stream, once you reach preservation age.

Non preserved lump sum benefit

If you resign or retire you can access your non-preserved lump sum (if its a restricted non-preserved amount), however, it may be subject to tax.

Your unrestricted non-preserved component can be accessed any time.

There is generally no tax payable if you transfer this lump sum over to another complying super fund or commence an income stream product.

Age and employment status

Under preservation age

If you're under your preservation age, you have limited access to your super. If you resign from your current participating employer, you can transfer your lump sum benefit to a complying super fund of your choice, including ESSSuper's Accumulation Plan. You may also gain access to your super under preservation age if you meet any of the conditions of release listed under preservation status.

From preservation age to age 60

You can access your preserved lump sum from preservation age, if you provide a declaration that you have permanently retired from the workforce.

If you have a superannuation lump sum benefit or accumulation account, you don't necessarily need to retire to draw income from your superannuation. You can draw an income from your superannuation by opening a transition to retirement income stream such as ESSSuper's Working Income Stream.

Age 60 and beyond

- Accumulation Plan members can access their super when they resign or retire from their employer at age 60 or over, or by election when they reach age 65, irrespective of employment status
- Defined benefit fund members can access their preserved benefit at age 65 if they apply to become exempt, or
- Income Stream members can access their benefits anytime after they open their income stream, subject to government limits.

Tax on lump sum benefits

Before age 60

The table below shows the tax treatment if you make a lump sum withdrawal before age 60. You will normally have a (small) tax free component and a taxable component. ESSSuper DB Fund members may also have an untaxed component.

Component	Tax treatment (2018-2019 tax rates)	
Tax free	Tax free	
Taxable	If under your preservation age, taxed at 22.0% [^] Preservation age to under age 60, the first \$205,000* is tax free and the balance is taxed at 17.0% [^] .	
Untaxed	First \$205,000	17.0%
	If above \$205,000	32.0%
	If above \$1,480,000	47.0%

* Indexed at 1 July each year in line with Average Weekly Ordinary Times Earnings (AWOTE), but will only increase in \$5,000 increments.

[^] Medicare levy of 2% currently is included.

Age 60 or over

If you're aged 60 or over and you withdraw a taxable benefit, the whole of this amount is tax free. Any untaxed benefit you withdraw from super after age 60 is subject to 17.0% tax on the untaxed component. You pay tax at the top marginal tax rate on the untaxed component above \$1,480,000.

Tax free component

ESSSuper calculates your tax-free component based on your benefit at 30 June 2007 plus any non concessional amounts contributed to the fund.

If you withdraw your super entitlement in more than one lump sum, the tax-free component will be applied proportionately on each entitlement.

Tax on income streams

Account based retirement income streams paid to a member aged 60 or over are tax free.

Between preservation age and 60, superannuation income streams are taxable and pension payments received by you need to be included in your tax return in respect to your ESSSuper Income Streams.

Each financial year ESSSuper will send you a PAYG Summary (group certificate) for the financial year showing:

- any tax free portions
- the taxable portion which is generally subject to a 15% tax offset
- the amount of the 15% tax offset
- the total of any tax withheld.

The total amount you can retain or transfer into a Retirement Income Stream (including account based Retirement Income Stream and lifetime Defined Benefit Pensions) where earnings are exempt from taxation are subject to a Transfer Balance Cap (currently \$1.6 million).

Tax on Defined Benefit Income Streams

A Defined Benefit Pension cap of \$100,000 is now in place to cap the amount of Defined Benefit Pension income received tax free. 50% of the Defined Benefit Pension above the cap of \$100,000 will be included as assessable income and taxed at your marginal tax rate.

Learn more

For more information:

- download our *Income Streams Product Disclosure Statement* or *Accumulation Plan Product Disclosure Statement* at esssuper.com.au
- refer to the *Working Income Stream* factsheet, or
- call our Member Service Centre on 1300 650 161 (emergency services members) or 1300 655 476 (state super members).

Proudly serving our members

This document is issued by Emergency Services Superannuation Board ABN 28 161 296 741, the Trustee of the Emergency Services Superannuation Scheme ABN 85 894 637 037 (ESSSuper). The information contained in this document is of a general nature only. It should not be considered as a substitute for reading ESSSuper's Product Disclosure Statement (PDS) which contains detailed information about ESSSuper products, services and features. Before making a decision about an ESSSuper product, you should consider the appropriateness of the product to your personal objectives, financial situation and needs. It may also be beneficial to seek professional advice from a licensed financial planner or adviser. An ESSSuper PDS is available at esssuper.com.au or by calling our Member Service Centre.