

Super tips for dealing with retrenchment - for corporate members

Being retrenched can be a confusing and stressful time and will most likely have you asking questions you've never had to think about before. Where your employer super is concerned, you have several options. You can:

- > Leave your money with Equisuper in our personal division;
- > Keep your insurance cover in the personal division or take up a private policy;
- > Have your new employer contribute to your personal account (if you take on a new job);
- > Take any non-preserved amounts in cash and pay the applicable tax (see below for further details);
- > Roll your super to another fund;
- > Rollover to an Account Based Income Stream if you are eligible; or
- > A combination of these options.

If you do nothing, after 35 days your benefit will be rolled out of your corporate super account into our Equisuper Personal division and your death and total and permanent disablement (TPD) insurance cover will be transferred to personal as a fixed dollar amount. If you have salary continuance cover, you need to apply within 60 days of ceasing employment to continue this cover under Equisuper Personal.

Preservation

Under Government regulations, certain benefits must be preserved (or kept) in a super fund.

Under preservation rules, you will not generally be able to take the preserved component of your benefit in cash if you leave your employer, unless you satisfy one or more conditions of release:

- > you have reached age 65*;
- > you have reached age 60 and ceased employment*;
- > you have retired permanently from the workforce and have reached your preservation age* (refer to table on next page);

- > you die, become terminally ill or totally and permanently incapacitated (as defined by legislation);
- > you have a preserved benefit of less than \$200*;
- > you are an eligible temporary resident departing permanently from Australia.

* These conditions of release are not available to you if you are a temporary resident unless you hold or held a sub-class visa 405 or 410.

You may be able to access some of your benefits before satisfying one of the above conditions if:

- > you have received Commonwealth income support payments for at least six months and are unable to meet immediate family living expenses (application for Financial Hardship); or
- > the Australian Prudential Regulation Authority (APRA) approves the payment on specified grounds (e.g. compassionate grounds).

What is your preservation age?

Date of birth	Preservation age
Born before 1/7/1960	55
Born from 1/7/1960 to 30/6/1961	56
Born from 1/7/1961 to 30/6/1962	57
Born from 1/7/1962 to 30/6/1963	58
Born from 1/7/1963 to 30/6/1964	59
Born after 30/6/1964	60

This brochure is for general information only. It has been prepared without taking into account your personal objectives, financial situation or needs. You should consider whether this information is appropriate to your personal circumstances before acting on it and, if necessary, seek professional financial advice. If you are considering investing in the Equisuper Superannuation Fund ABN 33 813 823 017, you should read the appropriate Equisuper Product Disclosure Statement (PDS) before making an investment decision. You can obtain a PDS via our website or by contacting the Helpline.

The taxation information included in this brochure is a general guide only. As taxation laws are complex and individual circumstances vary, you should seek individual taxation advice from a qualified advisor.

Equisuper Financial Planning Pty Ltd (EFP) ABN 84 124 491 078 is owned by the trustee of the Equisuper Superannuation Fund (Equisuper) and is a corporate authorised representative of Health Super Financial Services Pty Ltd ABN 37 096 452 318, AFSL No 240019.

For full information about the services and remuneration of EFP, please refer to the EFP Financial Services Guide, available by contacting **1800 065 753**, or on the website www.equipfp.com.au.

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Contact our Helpline on: **1800 682 626** | Visit our website at: equisuper.com.au
Send any correspondence to: **Equisuper Pty Ltd, GPO Box 4303, Melbourne VIC 3001**

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Non-preserved benefits

You may also have some money that is not preserved and can be accessed as follows:

Restricted non-preserved benefits (including any non-preserved amounts previously transferred in) may be paid to you in cash when you terminate employment, including as a result of being retrenched.

Unrestricted non-preserved benefits may be paid at any time.

To identify how much of your benefit is non-preserved, you can check your last annual statement. The section called Your benefit summary will show the non-preserved amount. This amount will not have increased unless you've rolled in additional amounts since that date. An example is shown.

Any non-preserved amounts are also identifiable on the website on the Benefit estimate screen, or can be obtained by calling the Helpline on 1800 682 626.

Example from your annual statement

Your Benefit Summary

Your benefit at 30 June 2008 is:	\$50,000
Preserved Benefit:	\$40,000
Must be kept in Equisuper, or another superannuation fund, until you retire on or after your preservation age or reach age 65.	
Non-preserved Benefit	
Restricted	\$5,000
Must be kept in Equisuper, or another superannuation fund until you leave your current employer.	
Unrestricted	\$5,000
May be kept in Equisuper, or another superannuation fund, or be paid to you in cash at any time subject to Trustee approval.	

Tax on your benefit

For full information on how tax is calculated on cash payments, please refer to *Fact Sheet #11 Calculating tax on your superannuation lump sum payment*.

The benefit payment process

The usual process for paying any benefits is as follows:

- > Your employer sends your final contributions to us;
- > Your employer usually then advises us of members that have left in the past month;
- > Equisuper writes to the exiting members outlining their options as discussed above;
- > We then act on the response from each member.

If you do nothing, after 35 days your corporate super account will be rolled into our personal division.

Where to get additional help

If you are being retrenched or thinking about accepting a redundancy package, you can get further assistance about your super by:

- > Calling the Equisuper helpline on 1800 682 626.
- > Making an appointment with an advisor from Equisuper Financial Planning.
If you would like to speak to an Equisuper Financial Planner about your options, please call 1800 065 753, or you can visit the Equisuper Financial Planning website www.equipfp.com.au for further information.
- > Accessing the resources at Centrelink. (See below for further details.)

How can Centrelink help?

Centrelink is an Australian Government Statutory Agency, assisting people to become self-sufficient and financially supporting those in need.

Their assistance includes providing advice to people being retrenched. This may include how to deal with your super, options for your redundancy payment and the rules that apply regarding the Newstart Allowance.

If you type in the word Retrenchment into the search facility on Centrelink's website www.centrelink.gov.au, it will take you to a comprehensive newsletter that provides some valuable information on benefits they can provide to assist you if necessary, or you can call them on 13 28 50.