



Withdrawing your super from the PSSap

Who should read this?

Any PSSap member who is leaving employment and/or is wanting to claim their PSSap benefit.

What is in this fact sheet?

- > What you should know up front
- > How is my benefit calculated?
- > How do I claim my benefit?
- > When can I claim my super benefit?
- > Compulsory payment of benefits
- > What is retirement?
- > Are my benefits payable if I am retrenched, I resign or I am dismissed?
- > Can I get any benefits for emergencies?
- > Can I get my benefits if I return overseas?
- > How is my PSSap benefit paid?
- > How will my lump sum be taxed?
- > Can I convert my lump sum to a pension?
- > Can I transfer my benefit over to another super fund while I am still contributing to PSSap?
- > Where can I get more information?

What you should know up front

It is important that you read the disclaimer at the end of this fact sheet. Before making any decisions, please read the **PSSap product disclosure statement** and consider seeking advice from a licensed professional such as a financial planner.

How is my benefit calculated?

Your PSSap account is valued and declared in units. Your contributions (made by your employer and you) less income tax that applies are used to buy units in the PSSap. Each time you or your employer contributes, you buy more units. It's similar to buying shares in a company.

The value of the units you hold is based on the 'sell' price of those units in the respective investment option(s) that applies to you, minus any investment management fees and charges and tax.

The unit price for a particular day is declared on the next business day and will fluctuate in line with investment earnings. When you withdraw your super from the PSSap, you will be cashing in, or redeeming, your units, at the applicable daily unit price on the day your application is processed, to purchase your benefit.

You can get an idea of the balance of your account by multiplying the number of units you hold by the daily 'sell' unit price.

How do I claim my benefit?

If you have access to the internet, you can log on to www.pssap.gov.au and download a **Benefit application** form to complete. Alternatively you can contact us and we will send you a copy.

A valid withdrawal request received before 3pm (Australian Eastern Standard Time) on a business day will be processed using the unit price for the relevant investment option(s) issued for the business day immediately before the day when the processing of the request takes place. We will pay your withdrawal benefit in Australian currency, generally within 5 to 10 business days of receiving the withdrawal request from both you and your employer, although in times of high demand the period may be longer.

When can I claim my super benefit?

The PSSap Rules and the Super Industry Supervision legislation (SIS) set out the conditions of release that must be satisfied before your benefits can be paid. You must preserve any benefit that we cannot pay in the PSSap or you can ask us to transfer it over to another complying super fund.

Your PSSap benefit may consist of up to three components:

- > a preserved benefit
- > a restricted non-preserved benefit
- > an unrestricted non-preserved benefit.

A preserved benefit generally cannot be paid unless you have:

- > permanently retired after reaching your preservation age (as indicated in the table below)
- > stopped gainful employment after turning age 60
- > reached age 65 and less than 75 and not satisfied the relevant work test
- > reached age 75
- > left Australia permanently after having been a temporary resident on a specified class of visa
- > special circumstances such as permanent incapacity, compassionate grounds, severe financial hardship
- or
- > died.

Table 1 - Preservation age

For persons	Period	Age
Born before	1/7/1960	55
Born between	1/7/1960 to 30/6/1961	56
Born between	1/7/1961 to 30/6/1962	57
Born between	1/7/1962 to 30/6/1963	58
Born between	1/7/1963 to 30/6/1964	59
Born after	30/6/1964	60

You can access your restricted non-preserved benefits in the same circumstances as preserved benefits. Generally, they can also be paid to you when you leave your employer.

You can generally access your unrestricted non-preserved benefits at any time. These benefits may consist of previously restricted non-preserved and preserved benefits in relation to which you have since satisfied a condition of release, or unrestricted non-preserved amounts you transferred into the PSSap. Certain benefits, which are not subject to preservation, may be withdrawn at any time. If you access part of your benefit before age 60, the payment will include both tax-free and taxable components in the same proportions as exist in your total benefit.

Compulsory payment of benefits

If we are required to abide by a superannuation agreement or a court order under the *Family Law Act*, part or all of your benefit may be paid from the PSSap.

We must also pay out your benefits when you die.

What is retirement?

If your preservation age is less than 60 and you reach that preservation age, you retire when:

- > an arrangement under which you were gainfully employed finishes (this may have occurred at any time, including before your preservation age)
- and
- > we are reasonably satisfied that you intend never again to become gainfully employed either on a full-time or part-time basis.

You retire if your gainful employment stops on or after the time that you reach age 60.

Are my benefits payable if I am retrenched, I resign or I am dismissed?

We must pay you your benefits if permitted by SIS. Amounts that cannot be paid are required to be preserved in the PSSap unless you make an application to transfer the benefit to another complying super fund.

Can I get my benefits for emergencies?

You can qualify for early access to your super benefits on two grounds.

Financial hardship

ARIA may decide (but is not required) to release part of your benefits if it is satisfied on written evidence that you:

- > are unable to meet reasonable and immediate family living expenses
and
- > have received a relevant Commonwealth income support payment (such as, Centrelink, Department of Veterans' Affairs or a Commonwealth Community Development Employment Projects organisation) for at least the previous 26 weeks from a Commonwealth department or agency.

ARIA can only pay a single gross lump sum of no more than \$10,000 and no less than \$1,000 (or a lesser amount if the amount in your personal accumulation account is less than \$1,000). Only one payment per member is allowed in any twelve-month period. If you access part of your benefit before age 60, the payment will include both tax-free and taxable components in the same proportions as exist in your total benefit.

Specified grounds

If you do not qualify for early access to your super benefits on severe financial hardship grounds, you may consider asking the Australian Prudential Regulation Authority (APRA) to approve the release of benefits on specified grounds. Some examples of the types of expenses you may be able to claim include:

- > medical expenses
- > renovations to your home necessitated by severe disability
- > mortgage payments—to prevent loss of your home.

You should direct all enquiries about applications for early release on these grounds to APRA on 1300 131 060. An application form is also available at www.apra.gov.au

Can I get my benefits if I return overseas?

The PSSap rules do not currently allow for the payment of a benefit to you if you were an eligible temporary resident and if you have permanently left Australia.

How is my PSSap benefit paid?

There are two types of PSSap benefits that can be paid; a lump sum benefit on retirement, death, invalidity or resignation or an income stream paid as a result of a claim against income protection.

How will my lump sum be taxed?

A super lump sum payment is made up of a tax free and a taxable component.

Table 2 shows the tax treatment:

Component	Tax rate	
Tax-free component (This is comprised of the following components that existed before 1 July 2007: post-June 1994 invalidity, capital gains tax exempt, undeducted contributions, concessional, and pre-July 1983)	Tax-free	
Taxable component (This is comprised of the post-July 1983 component which existed before 1 July 2007)	Under preservation age	21.5%*
	Preservation age to age 59	Tax free up to threshold** 16.5%* above threshold**
	60 and over	Tax-free

* Including Medicare levy

** Low rate threshold for 2009/10 is \$150,000.

Can I convert my lump sum to a pension?

PSSap currently does not offer pensions. However, you may transfer your benefit over to a fund that offers pensions.

We suggest that you may wish to consult with a licensed financial adviser to determine what options would be suited to your needs or objectives.

Can I transfer my benefit over to another super fund while I am still contributing to PSSap?

If you are a contributing member, you can transfer your PSSap super to another complying fund at any time. The amount you transfer is up to you but you must leave at least \$1,000 in your PSSap super account if you wish to remain a PSSap member.

Your first transfer in a 12-month period is free, subsequent transfers in the same period incur a fee of \$20 each.

How do I get more information?

Read the **PSSap product disclosure statement**

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PHONE 1300 725 171

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