



TAX ON TIME
ACCOUNTANTS

Tax and Business Relief in Response to COVID-19

Superannuation

Temporary Early Access to Superannuation Benefits

The Government will introduce a new compassionate ground of release that will allow individuals to access their superannuation entitlements where those benefits are required to assist them to deal with the adverse economic effects of the Coronavirus.

Such lump sum superannuation withdrawals under this new compassionate ground of release will **not** be taxable to the recipient (i.e., they will be **tax-free**).

The amount withdrawn will not affect Centrelink or Veteran's Affairs payments.

Eligibility

The individual is unemployed.

- The individual is eligible to receive the Jobseeker 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:
 - the individual was made redundant; or
 - the individual's working hours were reduced by at least 20%; or
 - if the individual is a sole trader – their business was suspended or there was a reduction in the business's turnover of at least 20%.

Entitlements

Under this new compassionate ground of release, eligible individuals will be able to access (as a lump sum) up to **\$10,000** of their superannuation entitlements before **1 July 2020**, and a further **\$10,000** from **1 July 2020** (subject to a six-month time frame).

Applications

From mid-April 2020, applications can be made directly to the ATO through the myGov website (www.my.gov.au/)

Ensure applications include current contact details and bank account details as the ATO will contact your superfund regarding the releasing of funds directly to your bank account.

For further information, visit:

[https://treasury.gov.au/sites/default/files/2020-03/Fact sheet-Early Access to Super 1.pdf](https://treasury.gov.au/sites/default/files/2020-03/Fact%20sheet-Early%20Access%20to%20Super%201.pdf)