

■ Who should read this fact sheet?

This Fact sheet provides information on how and when you are able to withdraw money from your ESI Super accumulation style accounts. It does not apply to Defined Benefit entitlements, as they become available under different conditions.

Superannuation is intended to assist you to save for retirement, and the money in superannuation is often preserved until certain conditions are met for their release.

Most of the conditions relate to accessing your benefit as cash. The preservation rules and conditions do not generally apply when transferring benefits from one superannuation fund to another.

■ Why is my money preserved?

Because superannuation is intended to be a long term investment, the Government requires that it remain 'preserved' in a super fund until you meet a 'condition of release'. This is usually age based, you must meet 'preservation age' before you can access your benefit.

Preservation simply means that your money must stay in the superannuation system. It does not mean that it must stay within a particular fund or investment style. Once you meet a condition of release you can either withdraw your monies, or leave them in the Fund'.

Money in superannuation is made up of three different preservation components. These components can be accessed at different times.

- **Unrestricted Non-Preserved benefits** – These are benefits contributed prior to preservation rules, or benefits that you have voluntarily kept in super after you met a condition of release. These can be accessed at any time.
- **Restricted Non-Preserved benefits** – These are benefits that are not preserved, but may be linked to employment with your contributing employer, or other fund rules which restrict access to the benefits. Once you have left your employer, or met the release criteria, these benefits can be accessed.
- **Preserved benefits** – These are benefits that must remain preserved in superannuation until you satisfy a condition of release.

Your *Annual Statement* shows the amount held in each component (if more than one) at the end of the financial year. You can obtain up-to-date information about your preservation components by logging on to your Member Online Access, or by contacting us.

As all contributions made after 1 July 1999 are preserved, your total non-preserved amounts will stay the same until you choose to access them.

■ What is my preservation age?

Preservation age has been set by the Government, and will be between 55 and 60 depending on your date of birth. It is the date at which you are able to access your super benefits, if you are permanently retired.

You can work out your preservation age using the table below.

Preservation age table

Your date of birth	Preservation age
Before 1 July 1960	55 years
1 July 1960 – 30 June 1961	56 years
1 July 1961 to 30 June 1962	57 years
1 July 1962 to 30 June 1963	58 years
1 July 1963 to 30 June 1964	59 years
1 July 1964 and later	60 years

Preservation age is not the same as pension age. Pension age is when you become eligible for Government pension benefits, depending on your income and assets. You may reach preservation age before you reach pension age.

■ What are the conditions of release?

A condition of release is an event, or series of events, that allow your preserved monies in superannuation to be accessed.

Some conditions of release allow you to access your full super balance as either a cash payment or as an income stream. Other conditions of release contain restrictions that limit how you can access your super or the amount you can withdraw.

As super is intended to assist you in retirement, or provide benefits to you and your dependents in the case of medical conditions or death, the Government has set taxation levels on super benefits that will encourage you to keep your money in super longer. This means that certain conditions of release may have higher tax levels. For further information on taxation and super please see the *Tax and your super: the facts* Fact sheet.

Most conditions of release are linked to either retirement, or ceasing to work for an employer.

■ Accessing benefits at preservation age

The most common way to access benefits is by reaching the preservation age and retiring. There are four conditions of release associated with reaching preservation age.

Permanent retirement after preservation age: If you are over your preservation age, and fully retired from working (i.e. have ceased gainful employment and intend to never again be gainfully employed for 10 or more hours per week) you are able to access your full super benefit. You may need to confirm with the Trustee that you do not intend to work again.

Retirement after age 60: If you have ceased gainful employment with an employer after turning 60, your super benefits are accessible. You do not need to confirm whether you intend to find further employment.

Age 65: After age 65, your benefits are available, regardless of your employment situation.

Transition to Retirement Income Stream: This is a way to access some of your benefits after reaching preservation age but before retirement. Some of your benefits can be transferred to an income stream, which has strict requirements on the maximum payments that can be made, while you continue to work. This is intended to allow you to reduce your working hours while continuing to receive the same income, as a combination of paid income and income stream payments.

■ Accessing benefits due to medical conditions

Superannuation is also intended to assist members and their families in the event of ceasing to work as result of medical conditions, or in the event of death.

Total and Permanent Disablement (TPD): If you become permanently disabled under any of the conditions as defined in the *ESI Super Member Guide* and the Trustee is satisfied you are disabled, your benefit can be released. Your benefit may also include an insurance component.

Death: In the event of your death, the whole of your account balance, plus any insurance benefit payable, will be paid to your dependents or your estate.

Terminal medical condition: If you are diagnosed with a terminal illness, you may be able to access your benefits. You must provide the Trustee with certification from two medical practitioners (at least one of whom is a specialist in your illness or injury) stating you are suffering an illness or injury which, in the normal course of events, would result in your death within a period of 12 months from the date of certification. You do not need to have ceased employment to access this benefit.

Please note: *While your TPD or Terminal Illness payment remains Unrestricted Non-Preserved in super, any earnings generated by your original benefit will be classified as a preserved benefit in super, requiring either confirmation of your TPD/Terminal Illness status or until you satisfy another condition of release.*

Temporary disablement: If you have Income Protection insurance and are unable to work for an extended period due to physical or mental ill health, you are eligible to receive a regular income payment for a set period (no lump sum is available). This benefit is not taken from your super account, but is an insurance benefit. Eligibility criteria will apply.

■ Other conditions of release

There are other conditions of release besides those of retirement and medical reasons. These often have more stringent criteria and benefit limits than the conditions of release listed above. This includes limits on the amount of your benefit that becomes unpreserved; the remainder may still be classified as preserved. These benefits may require documentation confirming your eligibility for the benefit.

Severe financial hardship: If you are able to demonstrate that you are in severe financial hardship and unable to meet reasonable and immediate family living expenses, you may be able to access some of your super benefit. You must be able to show that you are receiving and have been in receipt of an eligible Commonwealth income support payment for the last 26 weeks. The Trustee will determine the amount of your payment, between the limits of \$1,000- \$10,000. You cannot access more than the balance of your super account. You can only access severe financial hardship once every 12 months.

If you are aged 55 years and 39 weeks or more there are further conditions; however you are able to access the whole of your account. You must be receiving and have been in receipt of a Commonwealth income support payment (e.g. Newstart allowance) for a cumulative period of 39 weeks after reaching age 55 and not be gainfully employed for 10 or more hours per week.

Compassionate grounds: If you have significant financial difficulties in relation to certain types of expenses and do not qualify for severe financial hardship, you may be able to access some of your benefit by lodging an application with the Australian Prudential Regulation Authority (APRA). APRA will determine the amount you can receive, after taking into account the amount requested. You must have expenses relating to the following:

- Medical or dental treatment or transport for you or a dependant (if not available through public health), or
- Modifications to your home or vehicle, which are required due to a severe disability of you or a dependant, or
- Make a payment on a loan necessary to prevent foreclosure on your home mortgage or the exercise of a power of sale, or
- Palliative care for you or a dependent in the event of impending death, or
- Expenses associated with the death, funeral or burial of a dependant.

The Trustee must approve the release of the benefit money to you.

Preserved benefit is less than \$200 and you have ceased work with an ESI Super participating employer:

If you no longer work for an ESI Super participating employer and your preserved benefit at that time is less than \$200, it can be paid to you, regardless of age.

Total benefit is less than \$200 and you were previously a 'lost' member:

If you were previously classified as a lost member and the value of your benefit in ESI Super was less than \$200 at that time, you can receive the benefit if you are subsequently 'found'.

Ceasing work with an ESI Super participating employer:

If you cease employment with an ESI Super participating employer you will have access to any Restricted Non-Preserved components of your account balance.

Departing Australia Superannuation Payment (DASP):

If you are a former temporary resident of Australia, you are able to access your benefits once you have left Australia and your visa has expired or been cancelled. You must take your benefits as single lump sum and close the account. If you are an Australian or New Zealand Permanent Resident or citizen you are not eligible for this condition of release.

Payment of excess contributions tax: If you are issued with an excess contributions tax assessment notice from the Australian Tax Office (ATO), and you provide a valid release authority to ESI Super for the payment of the tax a lump sum adequate to pay the tax amount can be released.

Further information for temporary residents of Australia

From 1 April 2009, if you are or have been at any time, a temporary resident, you can only access your Restricted Non-Preserved and Preserved superannuation benefits if:

- You met one of the other conditions of release above before 1 April 2009, or
- You meet the permanent disablement, terminal medical condition, temporary disablement, death or former temporary resident condition of release.

If you have any Unrestricted Non-Preserved benefits you may access these at any time.

If it's been more than six months since you left Australia, the ATO may now hold your superannuation benefits. You can claim these benefits by applying to the ATO online at ato.gov.au.

These rules do not apply if you are an Australian or New Zealand citizen, permanent resident of Australia or have, at any time, held a Retirement visa (subclass 405 or 410).

■ Other things to think about

Tax

Before making a decision to withdraw money from your super, you should consider any tax implications. For more general information about tax and your super, please refer to our *Tax and your super: the facts* Fact sheet which can be downloaded from our website – esisuper.com.au. If you want more specific information about tax and your super, please refer to the ATO website at ato.gov.au or see your financial adviser.

Withdrawal fees

ESI Super does not charge a withdrawal fee.

Minimum account balance

If you decide to access or roll over only part of your super, a minimum amount of \$1,000 must remain in your account to keep it open.

Portability rules

If you still have contributions coming into ESI Super and you wish to transfer a portion of your balance to another fund, the minimum amount that must remain in your account after the withdrawal is \$5,000.

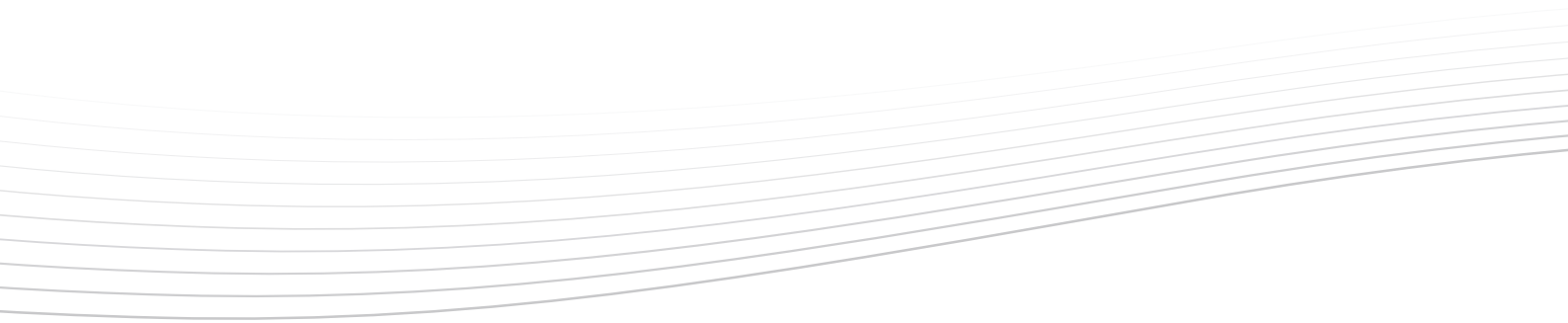
Where to from here?

To make a withdrawal from ESI Super, you need to fill out a *Benefit payment request* Form. An important part of completing these forms is to confirm your identity because Anti-Money Laundering law requires Funds to confirm your identity before payment can be finalised.

You may be required to complete further application forms, such as an insurance claim form.

Need more information?

If you would like further information about accessing your superannuation benefit, please contact our friendly ESI Assist staff on **1300 363 240** or visit the ATO's website – ato.gov.au.



More information

Call us on **1300 363 240**

Email us at super@esisuper.com.au or visit esisuper.com.au

Disclaimer

This fact sheet has been prepared for the general information of members of ESI Super. It does not take into account any member's individual financial objectives, financial situation or needs. Any statements of law or proposals are based on our interpretation of the law or proposals as at 14 August 2009. We recommend that you seek help from a licensed financial adviser before acting on any information contained in this fact sheet. While all due care and diligence has been taken in the preparation of this fact sheet, the Trustee reserves the right to correct any errors or omissions. If there are any inconsistencies between the terms of ESI Super's trust deed and this fact sheet, the terms of the trust deed prevail. Electricity Supply Industry Superannuation (Qld) Ltd (ABN 30 069 634 439 AFSL 336567) is the Trustee for the Electricity Supply Industry Superannuation Fund (Qld) (ABN 33 761 363 685)