

SUPERANNUATION PAYMENTS



Super payments

Superannuation is generally intended to be accessed once you've retired from the workforce. There are some instances where funds may be released prior to retirement.

Preservation

Superannuation benefits are generally "Preserved" (which means you cannot access the funds) until you reach retirement age, or meet some other condition allowing them to be released to you.

Conditions of Release

To receive your super benefits as cash, you generally must have met one of the following conditions of release:

- Permanently retired from the workforce on or after you turn 60, or
- Ceased employment with an employer after age 60, or
- Reached age 65, or
- Died, (where your benefits are paid to your dependants or estate), or
- Suffering from a terminal medical condition that is likely to result in your death within 24 months*, or
- Met the conditions for release due to Severe Financial Hardship or Compassionate Grounds (approved by the Australian Taxation Office; see page 3 for more details), or
- Become permanently incapacitated, or
- Left your job and your Preserved benefit is less than \$200.

* If you have a terminal medical condition, your account balance may be released if life expectancy is less than 24 months, in accordance with superannuation law. However, to claim life insurance benefits on the grounds of terminal illness, life expectancy must be less than 12 months, in accordance with the insurance policy.

Benefit payments

You can receive a payment of all or part of your Australian Food Super account balance in the circumstances outlined below. Where you provide proper account details for your financial institution we will transfer the money to your account via Electronic Funds Transfer (EFT). Otherwise payment will be made by cheque.

In order to apply for payment of a benefit from Australian Food Super you will need to complete an Application for Benefit Payment form which is available by contacting the Member Hotline on 1800 808 614 or online at <https://www.ausfoodsuper.com.au/forms-members/>.

You will be required to provide proof of identity prior to any payment being made. Please refer to the *Australian Food Super Proof of Identity Fact Sheet* for details of the documentation required.

The lump sum payment will usually be processed within five working days after we receive all of the documentation.

Retirement benefit

You can apply for a lump sum payment of all or part of your entitlements when you meet one of the following conditions of release:

- you turn age 65
- you are aged 60 up to 65 and permanently retire
- you are aged 60 up to 65 and stop employment with an employer contributing to Australian Food Super on your behalf. Please note if you return to work any new contributions will be preserved until you reach another condition of release.

No tax is payable on super withdrawals once you are over age 60. Refer to the *Australian Food Super Taxation Fact Sheet* for details.



Superannuation payments - continued

Australian Food Super Pension

As an alternative to taking your benefits as a lump sum when you retire, you have the option of transferring your account balance across to our Pension product. This allows you to continue to invest your money and use the balance to provide you with a regular income. There is no tax on the regular payments you receive from your Pension account. Additionally, where a pension member has met a condition of release of preserved benefits the income earned within the pension is not taxed (whereas income earned in an Australian Food Super accumulation account and where a pension is a Transition to Retirement pension is subject to tax at a rate of up to 15%).

Our Pension is also available to members who are still working, but have reached age 60. Known as a "Transition to Retirement" Pension, this option allows you to transfer any of your "Preserved" account balance with Australian Food Super to our Pension product and receive a regular income while you are still working.

Annual minimum and maximum payment amounts may apply to a pension.

Please contact the **Member Hotline** on **1800 808 614** for a copy of the Pension Product Disclosure Statement or download a copy from our website at ausfoodsuper.com.au/pension

Resignation or retrenchment

If you change jobs, leave employment or are retrenched, **you do not have to leave Australian Food Super**. Your account can remain open.

Australian Food Super is able to accept contributions from any employer, so you may be able to have your new employer make your Superannuation Guarantee contributions to your existing Australian Food Super account.

Portability

You can choose to transfer some or all of your balance out of Australian Food Super. Before making a decision of this nature, you should compare the benefits offered by the other fund with those available in Australian Food Super (including life and income protection insurance). The Trustee recommends you seek advice from an independent qualified financial adviser before making a decision.

If you are transferring part of your account balance to another fund, an amount of at least \$6,000 must remain in your Australian Food Super account.

To transfer all or part of your balance from Australian Food Super to another fund, you can complete a claim form which is available at ausfoodsuper.com.au/forms or by contacting the **Member Hotline** on **1800 808 614**. You will be required to provide proof of identity prior to any payment being made. Please refer to the *Australian Food Super Proof of Identity Fact Sheet* for details of the documentation required.

First Home Super Saver Scheme

The First Home Super Saver Scheme (FHSSS) allows you to withdraw voluntary contributions you've made to super in order to save for your first home.

Under the scheme, which applies to voluntary contributions (personal contributions and salary sacrifice) made since 1 July 2017, eligible members are permitted to withdraw up to \$15,000 of contributions (plus associated earning) made during a single financial year with a total withdrawal limit of \$50,000 of contributions (plus associated earnings).

Associated earnings are calculated using a deemed rate of return (which may be more or less than the actual return on your investments). Tax is payable on withdrawals of concessional contributions under the scheme - at your marginal rate less a 30% offset, or at 17% if the ATO is unable to estimate your marginal rate. No tax applies to withdrawals of non-concessional contributions.

To be eligible, you generally must be a first home buyer and occupy the premises you buy as soon as practicable. You can only use the scheme once. Requests to withdraw money under the FHSSS are made to and assessed by the ATO. Visit the ato.gov.au for more information.

Severe financial hardship

Where you are suffering from Severe Financial Hardship you may apply to have some of your account balance released in order to alleviate the hardship.

Under Commonwealth Government rules the following conditions must be met before a financial hardship application can be considered. You must:

- be in receipt of eligible Commonwealth Government income support payments;
 - if you are aged up to your preservation age plus 39 weeks, for a period of 26 consecutive weeks
 - if you have met your preservation age plus 39 weeks or older, for a cumulative period of 39 weeks **AND**
- be unable to meet reasonable and immediate daily living expenses.

The Trustee is required to assess your application and determine the extent to which you are unable to meet immediate and reasonable living expenses.

You should be aware that the Trustee is only permitted to release Preserved benefits where they are satisfied that severe financial hardship exists. You therefore must provide evidence to the Trustee that you are unable to meet reasonable and immediate living expenses, and have no assets besides your superannuation that it is reasonable to expect you to sell in order to meet your liabilities.



Superannuation payments - continued

For example, the Australian Food Super Trustee generally does not accept the following as being reasonable and immediate living expenses:

- › Alcohol
- › Cigarettes
- › Entertainment expenses
- › Motor Vehicles (including motor vehicle repairs)
- › Paying credit card balances or the entire outstanding amount of any loan (the effects of monthly repayments will be considered)
- › Payments to meet penalties imposed by courts or law enforcement agencies as a result of traffic, civil or criminal offences.

Additionally, the Trustee cannot take into account medical or dental expenses, or any mortgage arrears when considering a claim on the grounds of severe financial hardship. For medical expenses and mortgage arrears, please refer to the section titled Compassionate Grounds below.

If you are eligible and under preservation age, the Trustee is permitted to release a minimum of \$1,000 (unless your entire account balance is less than \$1,000) and a maximum of \$10,000 in any period of 12 months.

If you are eligible and over preservation age there is no limit on the amount that the Trustee can release.

If you wish to apply for a payment due to severe financial hardship you will need to complete a questionnaire providing details of income, expenditure and liabilities for yourself and any dependants. You are also required to provide evidence to support your claim (copies of current statements of income, bills, etc). Please contact the **Member Hotline** on **1800 808 614** for details and to obtain the questionnaire or access it at ausfoodsuper.com.au/forms.

Compassionate grounds

If you do not meet the criteria for Financial Hardship, you may be able to claim some of your benefits on Compassionate Grounds. In this case, you will need to make the application to the Australian Taxation Office (ATO). If your application is successful, the ATO will direct Australian Food Super to release a specific amount to you.

The Compassionate Grounds that may be considered are:

- › Medical treatment for a member or their dependant where the treatment is for a life threatening illness or injury, or to alleviate acute or chronic pain or acute or chronic mental disturbance, and where such treatment is not readily available through the public health system;
- › Medical transport for a member or their dependant to access treatment necessary for a life threatening illness or injury, or to alleviate acute or chronic pain or acute or chronic mental disturbance;
- › Modifications to the family home and/or vehicle to meet the special needs of a disabled member or their disabled dependant; or
- › Palliative care or death, funeral or burial expenses for a member or their dependant.

In addition, it is possible to have an amount released on Compassionate Grounds to prevent foreclosure of a mortgage, or exercise of a power of sale over the member's principal place of residence. In this case, the ATO will issue a letter to Australian Food Super authorising the Trustee to pay the released amount straight to the mortgage provider.

More details can be obtained from the ATO from their website www.ato.gov.au (see section: Withdrawing and using your Super - Early access to your super).



Superannuation payments - continued

Death benefit

If you die, your entitlements are payable to your dependants, persons with whom you shared an interdependent relationship, or your legal personal representative (i.e. the executor of your Will). Benefits may be paid to a non-dependant where there are no dependants or legal personal representative, or there is no Will.

- A dependant is generally someone who is dependent on you at the time of your death, for example, your spouse (husband/wife or de facto of either sex). Children, irrespective of whether they are living with you, or their age, may be considered as dependants. Other people may qualify as dependants.
- An interdependent relationship, is a relationship with a person of either sex with whom you share a close personal relationship, you live together and one or both parties provide financial and domestic and personal support to the other.
- Your legal personal representative is someone entrusted to manage your financial affairs, for example the executor of your estate. If you have a valid Will and payment is to be made to your estate, the executor must provide proof of the grant of probate before payment can be made. If there is no Will, and an estate is being created, the executor must provide a copy of letters of administration.

The Trustee has the final say as to who will receive your entitlements in the event of your death, and any payment must be made in accordance with the Australian Food Super Trust Deed and the Superannuation Industry (Supervision) Regulations 1994.

Please refer to the *Australian Food Super Taxation Fact Sheet* for details of tax on death benefits.

Investment of account where a member dies

Where a deceased member has funds invested in the MySuper option, those funds will remain invested in the MySuper option. Any insurance proceeds will be invested in the Secure Option from the date the insurance proceeds are received by Australian Food Super.

Where a deceased member has funds invested in options other than MySuper those funds will be transferred to the Secure Option from the date we are notified of your death. Any insurance proceeds will be invested in the Secure Option from the date the insurance proceeds are received by Australian Food Super.

The benefit payable on death is made up of:

- The amount accumulated in your account; plus,
- Any insurance paid by the insurer if you had active Life Insurance at the date of death; less,
- Any applicable Government imposed tax (if any).

Information to be provided when lodging a claim

In the event of your death, Australian Food Super will advise any prospective claimants what they need to provide for a death benefit to be processed.

Nomination of preferred beneficiaries

Please note that any beneficiary nomination is used as a guide only by the Trustee. Australian Food Super does not allow Binding Nominations.

If you have no dependants or legal personal representative at the time of your death, the Trustee may pay your benefit to one or more persons nominated by you. You may nominate your preferred beneficiaries on the Membership Application form. Whilst this nomination is not binding on the Trustee, it will be taken into account when paying the death benefit.

A dependant includes your spouse (including de facto of either sex), children, or any person with whom you share an interdependent relationship.

Please note the regulations and practices regarding payment of benefits will change from time to time in accordance with Federal Government Regulations and Trustee determinations. The Trustee reserves the right to pay the benefit to whomever the Trustee deems to be a dependant or interdependent of the deceased.

Please note that the Trustee may require additional information in some circumstances to establish who is entitled to be considered as a dependant. For example, in the case of a de facto or interdependent relationship, the Trustee may request additional information in support of that relationship.

The Trustee will attempt to process death claims as promptly as possible, however in some circumstances it may take some time to finalise. This can be because the Trustee is required to consider any person who may be a potential beneficiary and give them the opportunity to be considered for payment.

Terminal medical condition (account balance)

If you are suffering from a terminal medical condition and have a life expectancy of less than 24 months you can apply for immediate release of your account balance. No tax is payable in these circumstances.

In order to be eligible for payment on the grounds of a terminal medical condition you must provide certification from two treating doctors (one of whom must be a specialist in the illness you are suffering from) that the illness is likely to result in your death within a maximum period of twenty four months from the date of the certification.

In the event that your life expectancy is less than 24 months and you withdraw your entire account balance, your account will be closed and all insurance cover will cease.



Superannuation payments - continued

Alternatively you may apply for release of some of your account balance which will keep your account open and your life insurance cover active (refer to Terminal Illness insured amount below).

In this case you will need to ensure that there are sufficient funds in your Australian Food Super account to meet Administration Fees and Insurance premiums.

Terminal Illness insured amount

If you have Life Insurance cover, the insurer may allow early release of that benefit, however the insurance benefit is only available where life expectancy is less than **twelve months**. Refer to the Insurance Guide for more information.

Permanent incapacity

You may apply for payment of your account balance on the grounds of Permanent Incapacity. You will need to supply medical certificates from two independent, qualified medical practitioners. These documents must certify that you are permanently unable to work in any occupation that it is reasonable to expect you to engage in, considering your education, training and experience. If you have Total and Permanent Disablement (TPD) insurance, you may also be able to make an insurance claim. Refer to the Insurance Guide for more information.

Please note that release of your account balance from Australian Food Super because of Permanent Incapacity must be approved by the Trustee.

If you have any questions about Permanent Incapacity, please contact the **Member Hotline** on **1800 808 614**.

Payment of benefits to temporary residents

Under Federal Government regulations, there are restrictions on when a person living and working in Australia under a temporary resident visa can receive payment of a benefit. Superannuation benefits may only be released to temporary residents in the following circumstances:

- 1) Departing Australia Permanently (see next section).
- 2) Permanent Incapacity (see above).
- 3) Death (see the Death benefit section of this Fact Sheet).

In all other circumstances the money must either remain with a superannuation fund or be transferred to the ATO (see *What Happens if You Don't Claim Your Benefits*).

Temporary residents – departing Australia permanently

People working in Australia under an eligible temporary resident Visa are entitled to claim payment of their superannuation entitlements where:

- › their Visa has expired or been cancelled, and
- › they have permanently departed Australia.

To be eligible you must be the holder of a specific class of Visa (such as a working visa or working holiday visa). Please contact the Australian Taxation Office (ATO) on 13 10 20 or at www.ato.gov.au for details.

Please note that residents of New Zealand are not eligible for release of superannuation under the temporary resident provisions, however they may transfer their superannuation into their *Kiwi Saver* account.

See www.ato.gov.au/departaustralia for more information, to download forms or to make an application online.

When applying you will need to advise your:

- › name and date of birth
- › passport number
- › superannuation fund name and membership number
- › Australian Tax File Number (TFN).

If your super account balance is \$5,000 or more, please take particular note of the identification requirements on the Application for a departing Australia superannuation payment (ATO NAT 7204). As it can be difficult to find someone living overseas who is eligible to certify your identification documents, it might be worth getting it done before you leave Australia.

Temporary residents – what happens if you don't claim your benefit?

If you are in Australia working on a temporary resident Visa and have not claimed your superannuation from Australian Food Super within six months of the expiry of your visa or your departure from Australia, Australian Food Super is required by law to transfer your benefits to the Australian Taxation Office (ATO). Where this occurs, you will need to claim your benefits directly from the ATO.

Please note that you will not receive any written confirmation from Australian Food Super that your account has been transferred to the ATO.

The trustee relies on relief under ASIC Corporations Instrument 2019/873 to the effect that the trustee is not obliged to notify or give an exit statement to a non-resident in circumstances where the trustee pays unclaimed superannuation to the Commissioner of Taxation under Division 3 of Part 3A of the Superannuation (Unclaimed Money and Lost Members) Act 1999.



Superannuation payments - continued

Family Law

The Family Law Act allows separating couples to include superannuation as part of the assets being divided. Superannuation may be divided in one of two ways:

- › by agreement, or
- › if a couple is unable to reach an agreement, by court order.

Where an agreement or court order is received, Australian Food Super will split the member's account in accordance with the agreement or court order. The payment to the non-member spouse must comply with the preservation requirements (see the first page of this Fact Sheet) – therefore payment can only be made directly to a non-member spouse where a condition of release is met.

If a non-member spouse does not provide payment instructions, an account will be set up for them in Australian Food Super.



If you require a printed copy of this Fact Sheet please contact the **Member Hotline** on **1800 808 614**.



Member Hotline
1800 808 614



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This document is issued by Australian Meat Industry Superannuation Pty Ltd ABN 25 002 981 919, AFSL No. 238829, as Trustee for the Australian Meat Industry Superannuation Trust (the "Fund"), ABN 28 342 064 803 (Australian Food Super). The information in this document is general information only. It does not take into account your particular objectives, financial situation or needs. Before acting on information in this document you should consider the appropriateness of the information having regard to your particular objectives, financial situation and needs. You should obtain financial advice tailored to your personal circumstances.

The governing rules of the Fund are contained in the Trust Deed, which is available online at ausfoodsuper.com.au. From time to time the Trustee may alter the provisions of the Trust Deed.