

Early release of superannuation

Questions and answers (Q&As) – as at 30 March 2020 version 2

Bold answers have been updated from previous response

**Asterisk questions are new since previous version*

Individual application process

Number	Topic	Question	Answer
1	Application process	When will the application be available?	The application will be available from 20 April.
2	Application process	How will a person apply?	The application will be available in ATO Online via myGov.
3	Application process	What workarounds are available for those without myGov access? What contingency plans are in place if myGov is down?	The applicant can call the ATO call centre who will assist with access to myGov.
4	Application process	Will there be a paper process?	No.
5	Application process	Will the electronic and manual process be deployed at the same time?	Yes.
6	Application process	When can the ATO receive applications till?	Applications for this financial year (2019-20) can be made until 30 June 2020 Applications for the 2020-21 financial year can be made from 1 July 2020 to 24 September 2020 The measure will cease after 24 September 2020 but applications received prior to the cut-off dates may be processed after this date.
7	Available accounts	Can a member request amounts from multiple funds at the application stage?	Yes. The available fund accounts will be displayed and the member can chose multiple accounts and the amount to be approved for release from each account.

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8	Available accounts	Can a member request more than the amount shown on their myGov account?	Yes. There are no restrictions on the amount a person can request for release from any account. There is only a limit of a total of \$10,000 in the one application.
9	Available accounts	Can a member add a new fund to myGov when applying?	No. Only matched accounts reported to the ATO through MAAS will be displayed.
10	Available accounts	If a member applies for \$10k from a fund and the fund only has \$9k, can the member seek the balance from another fund?	A member can only apply for one determination per financial year. i.e. a member can request \$1K from one fund and another \$9k from another fund as long as it is in the same application. Members will not be able to make a subsequent application if they do not request or receive the full amount that has been approved.
11	Bank account details	Is the ATO collecting bank account details?	The ATO is collecting bank account details in the application form. At that stage the individual has authenticated themselves in the application process or via the phone. The individual will make relevant declarations in relation to the bank account details and will input them in the application.
12	Bank account details	Will the bank account default to the Income Tax return account or will the member have to re-enter the bank account details?	No. The individual will provide the bank account details in the application.
13	ATO held super	Can a person apply for a Coronavirus – Early release of super amount from superannuation money held by the ATO?	If the individual is not eligible for a direct payment of ATO-held super, they will need to request a rollover of the ATO-held super into an active super fund account before requesting its release under the Coronavirus early release process
14	Correspondence	How long will it take for the member to receive the rejection or approval notice?	All member correspondence delivered via myGov will be available within 2-3 days. Physical mail will be subject to postal timing.
15	Correspondence	Will myGov show the application is approved?	Yes, only when correspondence is issued to the members myGov inbox.
16	Varying an application	Can a member vary their application prior to it being processed within the fund?	Once an application is submitted it cannot be varied.

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17	Revoking an application	Can an application be revoked?	An application can be revoked where there is a genuine error or mistake.
18*	Eligibility	What eligibility checks are the ATO putting in place?	An individual will self-assess to determine eligibility and certify their eligibility in the application. Evidence is not required in the application process, however the ATO is advising individuals to retain evidence to support their application.
19*	Eligibility	Can an amount be released from a pension account?	<p>Super cannot be released from a pension account under the coronavirus early access arrangements.</p> <p>The coronavirus early access arrangements allow a member of a superannuation fund to apply for the release of their preserved or restricted non-preserved benefits.</p> <p>If a member is receiving an account based pension (that is not a TRIS) they would have met a condition of release with a nil cashing restriction. This type of condition of release converts any preserved and restricted non-preserved benefits the member had in their superannuation fund into unrestricted non-preserved benefits.</p> <p>As the coronavirus early access arrangements do not apply to unrestricted non-preserved benefits, amounts supporting the pension cannot be accessed under the arrangements.</p> <p>However, unrestricted non-preserved benefits can be cashed at any time by the member, subject to the rules of the fund and the account based pension, that is, outside of the coronavirus early release measure.</p>

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20*	Eligibility	Can an amount be released from a transition to retirement income stream (TRIS)?	<p>TRIS must meet the requirements of ordinary account based pensions, the additional requirements set out in r6.01(2) of the SISR that apply to annual payments from the pension account and the restrictions set out in r.6.01AB of the SISR on when a superannuation lump sum resulting from the commutation of a the TRIS can be cashed.</p> <p>The recent amendments to allow early access to super under the coronavirus early access arrangements do not vary the circumstances in which pension payments may be made from a TRIS or the circumstances in which an amount commuted from a TRIS can be cashed out of the superannuation fund. Hence, no amounts in excess of what are already allowed to be cashed from a TRIS can be released under the coronavirus early access arrangements.</p> <p>However, a member whose TRIS comprises preserved or restricted non-preserved benefits may be able to commute the TRIS back to the accumulation phase within the superannuation fund (in accordance with the rules of the fund and the pension). In such a case the preserved and restricted non-preserved amounts may then be eligible to be released under the coronavirus early access arrangements.</p>
21*	Available accounts	What accounts will the individual be able to see in their application in ATO Online?	All open accumulation accounts will be displayed. The ATO is finalising the design of the application form in relation to other account types.

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Fund notification and release of super

Number	Topic	Question	Answer
1	Fund notification	How will the notification be provided to the fund?	The ATO will be providing an electronic file that can be downloaded through Bulk Data Exchange (BDE) and processed for this category of compassionate release of super.
2*	Fund notification	What information will be provided in the notification?	The ATO issued a CRT alert with the data file specification and a sample data file on 2 April 2020
3	Fund notification	Will the fund need to check the portal or will the fund receive an email notification?	The fund will need to check the portal and download the file each day.
4	Proportioning rules	Will the payment be subject to proportioning rules?	Yes. The payment is subject to the proportioning rules.
5	Tax and payment summaries	Are funds required to issue PAYG statements showing a proportion of the payment to be taxable component – untaxed element	No, the payment is not a 'withholding payment' as defined in s.995-1(1) of the ITAA 1997 and an amount is not required to be withheld from the payment as it is NANE (see. S.12-1(1A) of Schd 1, TAA).
6	Payment by fund	What if the fund isn't able to make the payment tax free?	Fund is required to make the payment tax free.
7	Payment timeframes	What timeframe is there for money to be transferred to the individual?	The SIS Regulations require the payment to be made by the trustee to the member as soon as practicable.
8	Fees	Is the \$10k payout impacted by fees, for example exit fees?	This is a usual fund process for making a release.
9	Released amount notification to ATO	Does the ATO need to know what amount was released?	No. The compassionate release of super process does not include advising the ATO of how much money was released.
10*	Fund notification	Will the determinations be downloaded at a particular time of day?	The files will be available by 11am AEST Monday to Friday. The files will include approved applications that the ATO processed the previous day. The Monday file will contain approvals for Friday, Saturday and Sunday.

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11*	Release of funds	Where a fund is unable to pay part or all the monies requested under the early release of super provisions, is there a requirement for the fund to report back to the ATO?	There is no requirement to report back to the ATO.
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Other

Number	Topic	Question	Answer
1	Eligibility	What if a fund can identify that the member has not met the eligibility criteria as stated?	The ATO makes the determination based on self-assessment. The fund will not have all relevant information to be able to determine whether a person is eligible or not. However, if funds identify a case suspected to be high risk of fraud, this should be reported to the ATO. We will confirm the best approach to manage this during the duration of this measure.
2	Eligibility	Can a temporary resident apply for the early release?	No, this program is only open to Australian and New Zealand citizens and permanent residents.
3	Compliance checks	Will the fund be required to seek proof of eligibility?	No. The measure is based on self-assessment and the ATO will administer that through the application process.
4	Fraud	Will there be a claw back function if the money was incorrectly released or there was some fraudulent activity?	Individuals will be warned during the application process about the penalties that apply to them if making a false and misleading statement. Any particular cases of concern will be managed by the ATO with the individual.
5	Fraud	Will there be appropriate warning messages during the application process to deter inappropriate use?	Yes. Warnings about making false or misleading statements and declaration will be part of the application process. And the individual will make declarations.

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6	POI	Is the fund required to release the funds without AML/POI checks?	AUSTRAC have released the following statements: https://www.austrac.gov.au/mygov-ato-online-early-release-super
7	Successor fund transfer	What if the members account is subject to a successor fund transfer?	If the ATO issued a determination to an incorrect fund, we will need to manage this with the member. If a fund is aware that an SFT may disrupt the early release of super program, they should notify Super CRT.
8	Non-regulated funds	Can members have money released from non-regulated funds?	Members of non-regulated funds will need to apply directly to their own scheme/fund for early release of super. Non-regulated funds have their own state and territory law in regards to early release of super.
9*	Compliance checks	What compliance checks will the ATO put in place to monitor self-assessment?	Any compliance activity will be followed up by the ATO directly with the individual.
10*	USM reporting	Will the ATO defer the April 2020 USM reporting?	The ATO has deferred the April 2020 USM reporting until October 2020
11*	POI	Does the AUSTRAC advice relate to applications in both channels, i.e. myGov applications and phone applications?	AUSTRAC have confirmed that the rule will apply to all payments approved by the ATO. AUSTRAC web content has been updated.
12*	Existing CRS applications	What happens to existing early release requests that have been approved, but not yet paid? (Understanding there is a limit to 1 payment -up to \$10,000- for each period under this new measure), what are the Fund and/or Member requirements, in order to switch (from an existing early release request) to the proposed new grounds for early release?	If a fund has an existing CRS request, this is to be processed as usual with the member approaching the fund with the appropriate correspondence and paid accordingly, it does not have any impact on a coronavirus early release if the client has had a CRS approved and paid or not-paid. The processes are separate and as such can be managed without dependency on each other.