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Early release of superannuation for COVID-19: Details on eligibility

A set of bills now in Parliament, otherwise known as an omnibus bill, spells out the government's response to the COVID-19 crisis. [Schedule 13 of the omnibus bill](#) amends the SIS Regulations and RSA Regulations to allow individuals affected by the coronavirus to have up to \$10,000 released from their superannuation or retirement savings account on compassionate grounds.

Each person is permitted to apply for determinations to have up to two releases — one for an application made during the 2019-20 financial year and another for an application made during the 2020-21 financial year. This means a person may have up to \$20,000 released in total over the two income years.

Schedule 13 also amends the Income Tax (Transitional Provisions) Act 1997 to ensure that any such amounts that are released are not subject to tax.

These measures will take effect on the day after the omnibus bill receives royal assent.

Eligibility

The legislation states that to apply for the determination for such early releases, the person must satisfy any one of the following requirements about their employment or business status.

At the time the person applies for the determination, they are:

- unemployed;
- eligible to receive a job seeker payment, youth allowance for jobseekers, parenting payment (which includes the single and partnered payments) or special benefit under the Social Security Act; or
- eligible to receive the farm household allowance under Farm Household Support Act 2014; or

On or after 1 January 2020 the person:

- was made redundant;
- their working hours were reduced by 20% or more; or
- if the person is a sole trader – their business was suspended or there was a reduction in their turnover of 20% or more.

The government says these requirements ensure that access to the early release of superannuation on this additional compassionate ground is targeted to those individuals who have been affected by the adverse economic impacts of COVID-19.

27th March 2020

