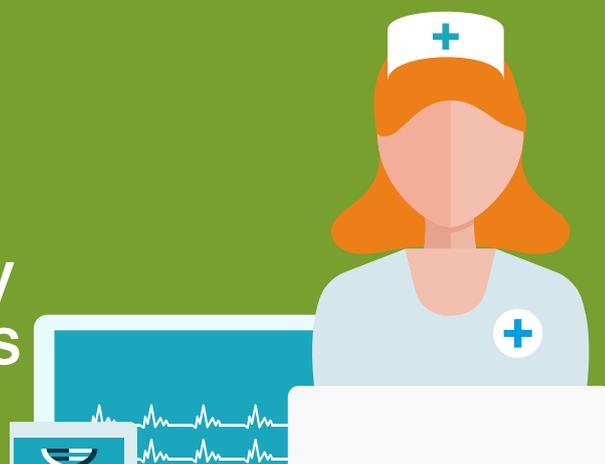


# Accessing your super early on compassionate grounds



## Introduction

Commonwealth Legislation and RBF's governing rules will determine when and in what form you can be paid your super benefit. Generally all super benefits must remain in super until you reach your preservation age and retire from the workforce. You can access your preserved benefit once you satisfy a condition of release. These restrictions are designed to assist in ensuring that your super entitlements are available to provide you with an income in your retirement.

However, members may also apply for the early release of preserved and restricted non-preserved benefits where specific conditions exist. The early release of benefits is only permitted in very limited circumstances. This fact sheet provides you with information to assess whether you may be eligible to apply for early access to all or part of your super on compassionate grounds.

## Who decides what the compassionate grounds are?

The Commonwealth Legislation and RBF governing rules define the circumstances in which compassionate grounds exist. RBF is required to follow these requirements when considering whether to release your super money. You therefore need to be able to show you are financially unable to meet the expenses associated with one or more of the compassionate grounds below.

Release on compassionate grounds can only be considered where you are financially unable to meet the expenses associated with:

- ▶ medical treatment for you, or a dependant, where the treatment is necessary to treat a life-threatening illness or injury, alleviate acute or chronic pain or alleviate an acute or chronic mental disturbance;
- ▶ transport to receive medical treatment for you, or one of your dependants, for such life-threatening or chronic illness/injury;
- ▶ modification to your principal place of residence or vehicle to accommodate the severe disability needs of yourself or your dependant;

- ▶ palliative care associated with the impending death of a dependant or yourself;
- ▶ the death, funeral or burial of a dependant; or
- ▶ loan repayments to prevent the potential loss of your principal place of residence (including arrears of rates owed to a council to prevent foreclosure).

## What proof do I need to supply?

You need to be able to show:

- 1 compassionate grounds, as described in this fact sheet exist; and
- 2 you do not have the financial capacity to meet the expenses related to those compassionate grounds.

## Do I need to prove both these conditions for my claim to be paid?

Yes, RBF must be satisfied these two conditions have been met before your money is able to be released.

## So, how do I prove compassionate grounds exist?

Each category of compassionate grounds requires different documentation. The various categories of compassionate grounds are listed below, including what documentation you need to provide to demonstrate these circumstances exist in your case. You must complete all these steps for RBF to be able to assess your application and pay your claim.

### 1 Medical treatment for yourself or one of your dependants.

RBF must be provided with certification from **two** medical<sup>1</sup> practitioners (one of whom is a specialist in the area of illness or injury) that the medical treatment is not readily available under the public health system and that it is needed to:

- ▶ treat a life-threatening illness or injury; or
- ▶ alleviate acute or chronic pain; or
- ▶ alleviate an acute or chronic mental disturbance.

<sup>1</sup> If your application is for dental work, RBF requires two dental practitioners (one of whom is a specialist) to provide certification.

#### **You need to supply:**

- ▶ a fully completed, signed and dated application form; and
- ▶ a completed 'Early release of superannuation on specified compassionate grounds – Report by medical practitioners and or specialist' form; or
- ▶ a letter from your medical practitioner and treating specialist stating the treatment is for a life-threatening illness or injury, acute or chronic pain, or chronic mental disturbance, and treatment is not readily available through the public system; and
- ▶ copies of outstanding medical bills (or quotations estimating the cost) from the medical practitioners or specialist, clearly showing 'out of pocket' expenses. Quotes are to be valid and within date of expiry or no older than 6 months, and unpaid invoices no more than 30 days old. Confirmation is required from Medicare and/or the private health fund (if applicable) of all rebates.

The letter or report from your medical practitioner and treating specialist needs to:

- ▶ clearly show their qualifications;
- ▶ be signed and dated; and
- ▶ be no more than six months old when submitted.

### **2 Expenses associated with transport to receive medical treatment for you or one of your dependants.**

You must provide reports from two medical practitioners (at least one being a specialist in the area of illness or injury), certifying the medical transport is required to access medical treatment as outlined above.

One of the medical practitioners needs to also confirm in writing:

- ▶ that the transport is needed to access medical treatment;
- ▶ the type of transport; and
- ▶ the treatment frequency, location and duration.

#### **You need to supply:**

- ▶ a fully completed, signed and dated application form; and
- ▶ a completed 'Early release of superannuation on specified compassionate grounds – Report by medical practitioners and or specialist' form; or
- ▶ a letter from your medical practitioner and treating specialist, as detailed under medical treatment; and
- ▶ copies of bills from medical transport providers or a quotation for the cost of travel, including mode of transport and distance (e.g. from travel agent, medical practitioner, airline).

### **3 Modifications to your home or vehicle to accommodate special needs because of severe disability.**

You must provide a letter from your medical practitioner, or your dependant's medical practitioner confirming the severe disability and its nature and the necessity of having modifications done to your home and/or your motor vehicle to accommodate the special needs which arise as a result of that disability.

You must also provide a quotation for the cost of the modifications, or accounts relating to the modifications from the service provider who will be undertaking the modifications.

#### **You need to supply:**

- ▶ a letter from your treating medical practitioner confirming you or your dependant have a severe disability requiring modification to your home or vehicle; and
- ▶ copies of the bills, or, if the cost has not been incurred, quotations from service providers for the modifications.

### **4 Expenses associated with palliative care.**

You must provide a report from a medical practitioner stating you, or your dependant, are terminally ill and need palliative care. You should also provide quotations or accounts from palliative care providers, such as home palliative care or hospice accommodation.

#### **You need to supply:**

- ▶ a letter from a medical practitioner certifying you, or your dependant, are terminally ill and palliative care is required;
- ▶ a quotation for palliative care (including home care) from a service provider;
- ▶ a quotation from hospice accommodation, if applicable; and
- ▶ a signed statement declaring details of dependency, if applicable.

### **5 Expenses associated with the death of a dependant.**

You must provide quotations or evidence of unpaid accounts from funeral companies, burial, or cremation providers and evidence of your relationship with the deceased, such as a death or birth certificate.

#### **You need to supply:**

- ▶ a copy of the unpaid funeral invoice or quote (or other related funeral costs);
- ▶ a copy of the death certificate; and
- ▶ a signed statement declaring details of dependency, if applicable.

## 6 To make a loan repayment to prevent the potential loss of your principal place of residence.

### Home loan arrears

You must supply a written statement from your lending institution confirming the amount in arrears and, if you do not pay an amount, they will foreclose the mortgage or exercise their power of sale of your property. In addition, your lending institution must also provide in writing to RBF the address of the mortgaged property, the amount of three months repayments, and the amount of 12 months interest on the outstanding balance of the loan, as at the date of your statement.

Generally, a principal place of residence is one in which a person resides permanently or has resided for a considerable period of time. If you do not currently reside at the residence subject to the potential foreclosure action, you need to supply sufficient evidence to establish that the property is in fact your principal place of residence. Any written evidence from a third party must be in the form of a Statutory Declaration.

If you apply under compassionate grounds to prevent mortgage foreclosure on your principal place of residence and your application is approved, your lending institution will receive a single lump sum payment directly from RBF as a third party payment. The maximum lump sum payment must be sufficient to cover the arrears to prevent foreclosure.

### For example:

The arrears on your mortgage = \$10,000.00 (a)

Three months of repayments = \$5,000.00 (b)

12 months of interest = \$4,000.00 (c)

The maximum that can be released is the sum of (b) and (c) = \$9,000.00

In this example the maximum amount that can be released will not cover the arrears to prevent foreclosure.

In addition, your super account balance (after tax) must have sufficient funds to pay the mortgage arrears. Where there is a shortfall, you must provide a Statutory Declaration with appropriate evidence that you can obtain the shortfall from another source. Appropriate evidence may include a signed and dated letter from a lender. If you cannot provide the shortfall your application will be declined.

If your claim is to prevent the potential loss of your principal place of residence, you cannot make another application on this ground for a further 12 months.

### Council rate arrears

You must supply a written statement from your local council confirming arrears of rates are owed on your principal place of residence, and the council is proposing to sell your home to recover the arrears. The statement must include the street address of the property and the amount owing.

### You need to supply:

#### Home loan arrears

A letter from your lender showing:

- ▶ the value of your current arrears;
- ▶ the value of three months repayments;
- ▶ the value of 12 months interest on the outstanding balance of the loan;
- ▶ the street address of the mortgaged property;
- ▶ official notification from your lender that they are going to commence foreclosure action e.g. default letter or foreclosure notice;
- ▶ the name, account number, and BSB of your mortgage account; and
- ▶ written evidence, in the form of a Statutory Declaration, to support your claim that the property is in fact your principal place of residence (if you currently do not reside at the property subject to the potential foreclosure action).

#### Council rate arrears

- ▶ a letter from your local council confirming the amount of arrears of rates on your principal place of residence; and
- ▶ written evidence, in the form of a Statutory Declaration, to support your claim that the property is in fact your principal place of residence (if you currently do not reside at the property subject to the potential foreclosure action).

## How do I show I can't pay the expenses myself?

To show you are unable to personally meet the above expenses from your current income, you need to complete the 'Early release of superannuation benefits on compassionate grounds' form and the Statutory Declaration. The remainder of this fact sheet is designed to explain and help you through the process.

## Why does RBF ask about assets and liabilities?

The claim form asks you to provide information about your assets and liabilities so that RBF can determine if you have assets that can be used to meet your expenses. Your family home does not need to be listed.

However, RBF does need to know about any liquid assets you may have, such as cash or shares. If their value exceeds \$50,000, these liquid assets must be used to meet your expenses before consideration can be given to releasing your super.

The information about your assets and liabilities is used to ensure your net liquid assets are under \$50,000. For RBF to pay your claim, you need to be able to answer, 'YES' to the question regarding assets in the claim form.

## Do I have to show my income and expenses?

Yes. The part of your application about income and expenses helps you and RBF determine the extent to which you are unable to meet your expenses from your current income.

You need to show all forms of income, including income support payments, maintenance payments, interest on bank accounts, and income from any casual, part-time or full-time work.

An assessment will be made based on the income and expenses you provide on the claim form.

This assessment will determine whether you have the financial capacity to meet the expenses you are applying for.

## Do I need to send receipts and documents to prove my expenses?

Yes. You need to send RBF any receipts, unpaid invoices and quotes, as described earlier (and in the checklist at the end of this fact sheet), showing the expenses that have been, or will be, incurred under compassionate grounds.

However, you don't need to send receipts to prove your family living expenses shown in the claim form. Although you don't need to send this information to RBF, you do need to retain it, as RBF may ask you to provide further information relating to your claim.

All documentary evidence supporting your claim such as unpaid invoices and outstanding bills must be dated no more than one month old.

Invoices and bills older than one month can be included however a copy of an overdue letter, statement etc that is dated less than one month old must be provided as evidence that the bill has not been paid.

Quotations must be valid and within date of expiry.

## What can I do if I have already borrowed money to pay for my debts?

If you choose to pay for the debt by borrowing money from a:

- ▶ family member or friend; or
- ▶ commercial lender; or
- ▶ use a credit card account;

such claims are not payable by RBF in these instances.

## Who is a dependant?

For RBF purposes a dependant, in respect of a member, is defined as:

- ▶ their spouse;
- ▶ their child; or
- ▶ any other person with whom they have an interdependency relationship. The dependant must be wholly or partly financially dependent on the member and can include:
  - ▶ elderly parents or grandparents;
  - ▶ ex-spouse who is receiving maintenance for them or their children;
  - ▶ partner of the same sex; or
  - ▶ brothers or sisters.

If the dependant is any other person with whom the member has an interdependency relationship, there is additional information required to be sent to RBF. The member must send a Statutory Declaration detailing:

- ▶ the dependant's age;
- ▶ their relationship with the dependant;
- ▶ any characteristics that require the dependant to rely on the member e.g. health or disability;
- ▶ any care arrangements put in place for the dependant;
- ▶ the dependant's income; and
- ▶ the level of financial support the member provides to the dependant.

Documentation supporting the dependant's financial dependency on the member should also be provided. An example of evidence is a medical certificate that confirms the member provides personal domestic or medical care to the person.

## How much can I claim?

The amount you can claim depends on the evidence provided and how much is required to cover the expenses and arrears. If your application is approved you will receive a single lump sum payment (except under mortgage foreclosure). The amount released will be a net (after tax) payment.

Commonwealth legislation requires you be given the opportunity to provide your tax file number. If RBF does not have your tax file number, tax must be deducted from your benefit, where applicable, at the highest marginal rate.

## How often can I claim?

If your claim is to prevent the potential loss of your principal place of residence, you cannot make another application on this ground for a further 12 months. For any other compassionate ground, you can apply again at any time if you meet the criteria relevant to your new application.

If your claim is not approved, you can apply again as soon as you believe you meet the conditions relevant to the type of application you are making. Alternatively, you may appeal to RBF for reconsideration of the outcome.

## How long will it take for my claim to be assessed?

If your claim is successful, you should receive funds within two weeks of RBF receiving your application. However, claims submitted without all requested information might take longer to assess, as RBF will need to obtain that information from you. Your claim may also take longer to process if RBF needs to check details of your claim with you or with third parties.

Reading this fact sheet carefully, answering honestly, and including all requested information will help ensure your claim is assessed as quickly as possible.

You can also use the checklist on the next page to ensure you have provided the necessary information for your compassionate grounds application.

### Important note:

Your documents must be valid and complete. This means you need to ensure you complete the declaration, date the form and certify correctly any evidence that requires certification.

## So what do I need to do now?

The following checklist will help you ensure your claim is processed as quickly as possible. RBF can only approve your claim once you have provided all required information and you are able to show you meet the Commonwealth Legislation and RBF legislative guidelines, as described in this fact sheet.

### Have you:

- completed and signed the application form?
- included the supporting documents regarding the compassionate grounds for which you are applying?
- correctly completed the Statutory Declaration?
- had your Statutory Declaration witnessed by a Justice of the Peace or Commissioner for Declarations or an authorised representative?
- provided your tax file number?
- provided your personal bank account details or a letter from your mortgage lender with your bank details?
- provided proof of your identity.

**You must provide an original certified copy of your identification. The following forms of identification can be accepted:**

### Primary (one of):

- ▶ current Australian driver's license; or
- ▶ passport (not expired for more than two years).

### Secondary (two of):

- ▶ birth certificate; or
- ▶ extract of birth; and
- ▶ utility, rates notice; or
- ▶ letter issued from the Australian Government.

For more information on providing proof of your identity and certification, refer to the 'Completing proof of identity' section in the application form.

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Issued by the Superannuation Commission (ABN 93 598 914 092) as trustee of the Retirement Benefits Fund (ABN 51 737 334 954).

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## Contacting RBF

Contact RBF if you would like additional information or assistance.

RBF Enquiry Line: 1800 622 631 or  
+61 2 8571 6868  
(international)

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Visit: [www.rbf.com.au](http://www.rbf.com.au)

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