



Member Super Facts

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Redundancy and your super

at a glance:

- Understand your payment entitlements, including tax
- Find out if you're eligible for Government help through Centrelink
- Seek financial advice to make the most of your payment and situation
- Review your super – particularly any insurance cover – to ensure it's still appropriate for your changed circumstances
- Know where to go for help, both financial and otherwise.



Information helpline

For more information please call the CareSuperLine on **1300 360 149**, email admin@caresuper.com.au or visit caresuper.com.au.

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Disclaimer

The advice in this document is of a general nature. We have not taken into account your particular financial needs, circumstances and objectives. We recommend you read the Product Disclosure Statement, assess your own financial situation and seek professional advice from a licensed financial adviser before making any decisions related to your super. While every care has been taken as to the accuracy of this information, CareSuper takes no liability for the correctness of this information. CareSuper is not responsible for any loss, direct or indirect, resulting from reliance on the information contained in this document.

Redundancy is stressful and can leave you feeling uncertain about your future. On top of that, you may need to make a number of important financial decisions fast.

We've put together this fact sheet to give you an overview of how the redundancy process works, so you know what your options are – and how your super is being looked after.

What are your entitlements?

When you are made redundant, you are generally entitled to a payment from your employer. This could include:

- Unused annual leave (and sometimes unused sick leave)
- Accrued long service leave
- A redundancy payment.

Your redundancy payment may consist of the following:

- A genuine redundancy payment,* which is untaxed up to a maximum payment limit. Any amount in excess of this limit is treated as an ETP (below).
- An Employment Termination Payment (ETP), which is any amount in excess of the tax-free amount, and may contain a tax-free and taxable component. It may include, but is not limited to:
 - Payments for unused rostered days off
 - Payment in lieu of notice
 - Gratuity or golden handshake.

* A genuine redundancy occurs when a person's job no longer needs to be performed by anyone, and when the employer has followed any consultation requirements in the award, enterprise or other registered agreement. Go to fairwork.gov.au for more information. Note that if you are part of a redundancy scheme, your arrangement might be different. You should speak to your Human Resources representative.

What to expect from your employer

Your employer will provide a summary of your payment, outlining your entitlements and any tax considerations. For further information regarding limits and tax, visit ato.gov.au or speak to a financial adviser.

Your redundancy payment won't include any Super Guarantee payments. Your employer should pay your Super Guarantee contribution amounts to your super fund as usual, up to the final date of your employment.

i An ETP cannot be rolled directly into your super account, but you can use it to make a contribution to your super after tax. Go to caresuper.com.au/forms to download a **Contribution** form.

Making the most of your redundancy payment

Being the recipient of a lump sum of money at any time in your life requires careful thought and planning. Your redundancy payment could be substantial and may need to last a long time, so it's important to use it wisely.

That's where financial planning can help.

A financial planner can assist you in making critical decisions about your payment. For example, they could help you address the following questions:

- Should I pay off my debts?
- What should I invest in if I need to live off this payment for an extended period?
- If I find new employment quickly, what can I roll into super to maximise my retirement?

Financial planning is available through CareSuper, for members.* Advice around redundancy is provided on a fee-for-service basis after an initial consultation, which is cost- and obligation-free.

* Financial advice is offered through CareSuper's relationship with Industry Fund Services Limited (IFS), and is provided by an authorisation under the Australian financial services licence of IFS, ABN 54 007 016 195, AFSL 232514.

Get in touch

Book a callback at caresuper.com.au/advice, or call **1300 360 149** to speak to a planner.

Do you qualify for Government support?

This depends on your individual circumstances, but Centrelink may be able to provide you with income support payments while you're looking for work. It's worth contacting Centrelink as soon as possible, as waiting periods can apply. Visit humanservices.gov.au to find out more.

What will happen to your super?

CareSuper will continue to look after your super, even if you're no longer receiving employer contributions. Your money is still invested in the option(s) chosen by you, and the usual competitive fees apply. We are still available to talk about your super with you, and the benefits of a CareSuper membership are ongoing.

It's a good idea to review your super when your situation changes to make sure your investment options and insurance cover match your current needs and wants.

Have you consolidated your super?



By putting all your super in the one fund, you could avoid paying multiple sets of fees and charges, plus it's easier to keep track of your balance.

To combine your super just log in to MemberOnline at caresuper.com.au/login and follow the prompts.

If you think you have lost super out there, you can use our **Online consolidation tool**. Supply your tax file number and we'll track down any forgotten super funds in your name.

Go to caresuper.com.au/consolidateonline.

Is your super accessible?

Super is designed to provide you with an income in retirement, so access is restricted until you meet a condition of release. The most common conditions of release are:

- Turning 65 – this is the age you can access your super, even if you're still working
- Permanently retiring from work having reached your preservation age
- Changing employers after turning 60
- Reaching your preservation age and still working as part of a Transition to Retirement strategy.

There are other circumstances that may allow you to access some or all of your super early. These include:

- Compassionate grounds, e.g. requiring money to pay for medical treatment
- Severe financial hardship.

Accessing your super early is subject to specific application requirements and approval by the Trustee of your super fund.

➔ To find out more, download **Accessing your super** from caresuper.com.au/PDS, or call us.

What will happen to your CareSuper insurance?



Generally, any insurance cover you have with CareSuper will continue. Members who join CareSuper through their employer automatically receive default levels of death and total & permanent disablement (TPD) cover (subject to eligibility). If you're unsure what you're covered for, log in to MemberOnline at caresuper.com.au/login to check.

In the event that your account balance drops below the threshold required to cover premiums, you will be notified that your cover may cease. You can then choose to:

- Make an after-tax contribution using a **Contribution form** from caresuper.com.au/forms
- Consolidate other accounts into CareSuper
- Reduce or opt out of insurance by calling **1300 360 149** (you can reapply later, but will be subject to assessment and acceptance by the insurer).

If you have income protection cover with CareSuper, please be aware that this does not cover redundancy.

You should also know that if you become unemployed after being accepted for income protection cover you will not be paid a benefit should you become temporarily incapacitated (unless you meet another condition of release).

If you no longer require income protection cover you must notify CareSuper. If you wish to continue your cover to avoid reapplying later on, you don't need to take any action.

All insurance cover is subject to the terms and conditions of the relevant policy. You can find full details in the **Insurance Guide** available at caresuper.com.au/PDS.

! If your employer was paying insurance premiums or administration fees on your behalf, these amounts will now be deducted from your super account. You can read about our fees at caresuper.com.au/superfees or call the CareSuperLine for your relevant PDS.

Getting help



Is your employer unable to pay?

If you're owed certain entitlements and your employer has gone into bankruptcy or liquidation, you may be eligible for help under the Fair Entitlement Guarantee (FEG) or the General Employee Entitlements and Redundancy Scheme (GEERS). These schemes are designed to pay a portion of your outstanding wage and leave entitlements. Eligibility criteria apply. Find out more at employment.gov.au or call **1300 135 040**.

Do you need financial help outside of super?

Visit moneysmart.gov.au for tips on dealing with unemployment, as well as links to other services, including emergency help and free financial counselling.

Could you benefit from non-financial help?

If you're struggling to cope with redundancy, consider talking to someone. You can call BeyondBlue on **1300 22 4636** or visit beyondblue.org.au to read the *Taking care of yourself after redundancy or financial loss* booklet.

Retiring with CareSuper

It makes sense to review your retirement plan when your circumstances change, even if you plan to keep on working. If you've reached your preservation age, you may want to consider a Transition to Retirement (TTR) strategy with CareSuper. The TTR Pension is a tax-effective way of drawing funds from your super while continuing to work and build your savings.

You can find out more by viewing our online **Retirement Guide**, which takes you through a number of practical, pre-retirement steps. Visit caresuper.com.au/retirementguide.

If you're considering retiring permanently, you should read the **CareSuper Pension Guide**, available at caresuper.com.au/PDS.



Heading back to work? Choose who to take with you.



Becoming a CareSuper member is easy. You can join online at caresuper.com.au/join, or, if you're re-entering the workforce, complete a **Choice of fund** form to hand to your new employer. You should read the **Member Guide PDS** before making any financial decisions. Ours is available at caresuper.com.au/PDS, or upon request.

Not a CareSuper member?

Don't worry; much of this information is general and might be helpful for you too. We still recommend seeking financial advice to best handle any lump sum payments, and it's important to understand your entitlements and superannuation options as outlined in this fact sheet.

We suggest getting in touch with your current super fund(s) to review any insurance arrangements you have with them, as they will be different from CareSuper's, as will any pension products or investment options.