Superannuation – Accessing

In most cases portability rules mean that you can rollover all or part of your superannuation benefit to another superannuation fund. There will be no tax liability on rolling over unless the amount includes an untaxed benefit (eg: from a defined benefit government fund). If this is the case the first $1,650,000 will attract 15% tax (paid by the receiving fund) and the excess will be taxed at the highest marginal tax rate (withheld by the paying fund).

Prior to age 65 the ability to access your superannuation benefits depends on the preservation rules. After age 65 preservation does not apply. Unrestricted, non-preserved benefits can be withdrawn at any age. With any preserved amounts you must wait until you have reached preservation age (see table below) before you can withdraw from your superannuation. You must also satisfy a condition of release.

Date of Birth	Preservation Age	Date of Birth	Preservation Age
Before 1 July 1960	55	1 July 1962 – 30 June 1963	58
1 July 1960 – 30 June 1961	56	1 July 1963 – 30 June 1964	59
1 July 1961 – 30 June 1962	57	On or after 1 July 1964	60

When you contribute money into superannuation it is allocated to different components, which determines the amount of tax you will pay when you withdraw. The tax on lump sum withdrawals is shown in the following table:

Age	Tax Free Component	Taxable Component			
		Taxed Element		Untaxed Element	
		Amount	Tax Rate	Amount	Tax Rate
60 and above	Tax Free	Whole component	Tax Free	First $1,705 million Balance	15% [2] Highest MTR
55 to 59	Tax Free	First $235,000 [1] Over $235,000	0% [2] 15% [2]	First $235,000 [1] $235,000-$1,705 mil Over $1.705 million	15% 30% [2] Highest MTR
Under 55	Tax Free	Whole component	20% [2]	First $1,705 million Balance	30% [2] Highest MTR

1. **Indexed to AWOTE annually but only increased in $5,000 increments**
2. **Plus Medicare levy (2% plus surcharge for higher incomes)**

Death Benefits

Superannuation death benefits can be paid to a dependent as a lump sum or pension. If it is paid as a lump sum the whole benefit will be tax free. If it is paid as a pension some will be tax free and an offset will apply to the taxable portion.

Superannuation death benefits can only be paid to a non-dependent as a lump sum. The taxed element will attract 15% tax and the untaxed element 30%.

Note: All figures are current for 23/24

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