

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 \$1,865,000 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 Unrestricted, non-preserved benefits can be withdrawn at any age.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 (60) before you can withdraw from your superannuation. You must also satisfy a condition of release.

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 \$1,865 million Balance | 15% ² Highest MTR |
| 55 to 59 | Tax Free | First \$260,000 ¹ Over \$260,000 | 0% ² 15% ² | First \$260,000 ¹ \$235,000-\$1,865 mil Over \$1,865 million | 15% 30% ² Highest MTR |
| Under 55 | Tax Free | Whole component | 20% ² | First \$1,865 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 FY 26

While every care has been exercised and the recommendations and other statements herein are based on information believed to be accurate and reliable, no liability (unless required by law), can be accepted for any error or omission including negligence however caused.