

Access your defined benefit



30 September 2023

All our forms and publications are available at spiritsuper.com.au/forms or call us on 1800 005 166, and we'll send you a copy.



Your super is all about funding your retirement, so there are rules about how and when you can access it.

This information is for members of the Quadrant Defined Benefits fund, the Hobart City Council (HCC) Defined Benefits fund and the Launceston City Council (LCC) Defined Benefits fund.

! Our defined benefit funds are closed to new members. If you leave a defined benefit fund you won't be able to rejoin later.

This fact sheet provides information about:

- your options when you leave the defined benefit fund
- when you can access your defined benefit savings.

Leaving the defined benefit fund

You must leave your defined benefit fund if you:

- leave the employer that contributes to your defined benefit account
- retire from the workforce or
- reach your defined benefit fund's 'normal retirement age' (even if you're still working).

Fund	Normal retirement age ¹
Quadrant Defined Benefit fund	65
LCC Defined Benefit fund	65
HCC Defined Benefit fund	62

¹An early retirement age may be available; however, conditions apply so contact us for more information.

You can choose to leave your defined benefit fund at any time. Just keep in mind that our defined benefit funds are closed to new members. If you leave, you won't be able to rejoin later.

Leaving a defined benefit fund may also impact your final withdrawal benefit. Always get expert advice before making a decision to leave a defined benefit fund.

! Leaving a defined benefit fund doesn't automatically mean you can access your super savings. You must also meet a condition of release.

If you leave the defined benefit fund before you can access your super, you can either:

- transfer your benefits to a Spirit Super account and invest it in one or more of our nine investment options
- transfer your benefits to another super fund.

This is general information only and doesn't take into account your objectives, financial situation or needs. Before making a decision about Spirit Super, you should consider if this information is right for you and read the *Product disclosure statement*, *Target market determination* and *Financial services guide*. These are available at spiritsuper.com.au/pds or by calling 1800 005 166. | Issuer is Motor Trades Association of Australia Superannuation Fund Pty Ltd (ABN 14 008 650 628, AFSL 238718), the trustee of Spirit Super (ABN 74 559 365 913). Any advice is provided by Quadrant First Pty Ltd (ABN 78 102 167 877, AFSL 284443) (Spirit Super Advice), which is wholly owned by the trustee. A copy of the *Financial services guide* for Spirit Super Advice is available at spiritsuper.com.au/financial-services-guide or by calling us on 1800 005 166.

When can you access your super?

Generally, you can access your super when you:

- reach your preservation age and permanently retire
- change jobs after 60
- reach your preservation age and choose to start a transition to retirement income stream while still working
- turn 65 (even if you're still working).

These are called 'conditions of release'.

What's your preservation age?

Your preservation age is between 55 and 60, depending on when you were born. As at 1 July 2023, if you were born before 1 July 1964, you've already reached your preservation age. If you were born after 30 June 1964, your preservation age is 60.

Date of birth	Preservation age (years)
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

! Your preservation age isn't the same as the age you can access the Age Pension.

2 Can I access my super earlier?

While most people wait until retirement to access super, there are times you may need to access it sooner. This includes if you:

- experience severe financial hardship
- meet certain compassionate grounds
- have a terminal medical condition
- suffer a permanent incapacity
- suffer temporary incapacity (in this case you may be able to access an insured benefit only, if you have income protection cover and are eligible for the benefit)
- are a temporary resident departing Australia
- have a super balance under \$200 and have ceased employment with your employer or
- are using the First home super saver scheme.

Penalties apply if you illegally withdraw your super early.

For details, read our *Early access to your super* fact sheet.

! Accessing super early means less super for your retirement. Regardless of how and when you access your super, you should get advice from a licensed financial adviser first.

How can I access my defined benefit?

Depending on your circumstances, you may be able to:

- access your super as a cash payment
- transfer your benefits to a Spirit Super account and invest it in one or more of our nine investment options — any insurance cover you have in your defined benefit will be converted to fixed cover and transferred to your new super account
- turn your benefits into an income stream with our pensions
- transfer your benefits to another super fund.

Your options may differ depending on whether you're retiring permanently or starting a new job. Call us on **1800 005 166** for more information.

How are my benefits calculated?

How your benefit is calculated will depend on which defined benefit scheme you are part of, your age, and other circumstances, such as your years of service and average salary.

For details, read our *Defined Benefits fund guide*.

Things you should know about accessing your super

- If you have insurance, it will be cancelled if you close your account.
- If you access your super early, you may have less money in retirement.

! Regardless of how and when you access your super, you should get advice from a licensed financial adviser first to confirm if a withdrawal will have tax or social security implications. If you're under 60, you may have to pay tax.

Tax on withdrawals

If you're under 60, you may pay tax on super withdrawals. If you're 60 and over, super withdrawals are tax-free.

Super accounts are made up of a tax-free component and a taxable component. When you access super, the amount withdrawn is paid proportionately from both components (you can't choose which component your withdrawal is paid from).

You can check the tax components for your balance in **Member Online** or by contacting us.

All taxes are deducted from your payment before you receive it.

Your age	Tax on the tax-free component	Tax on the taxable component ³
Under your preservation age ²	Nil	Your marginal tax rate or 22%, whichever is lower.
Between your preservation age ² and 60	Nil	Up to \$235,000⁴ – nil. \$235,000⁴ and over – your marginal tax rate or 17%, whichever is lower.
60 and over	Nil	Nil

²Age 55–60 depending on your date of birth. | ³Tax rates shown include the Medicare levy. This table shows the tax rates applied to withdrawals with a taxed element. If your taxable component includes an untaxed element, additional tax may be applied to that element. | ⁴The low rate cap is \$235,000 for 2022–23 and is reduced by any previous withdrawals you've made and applied to the cap.

You may pay less tax if you access your super due to permanent disablement or terminal medical condition. For details, read our *How super is taxed* fact sheet at spiritsuper.com.au/pds.

How to access your defined benefit

Fill out a *Withdrawing your super – DB* form. It's available at spiritsuper.com.au/forms.

You'll need to do this if you are:

- withdrawing your benefit
- converting your benefit into a Spirit Super accumulation account
- transferring your benefit to another fund.

How long will it take to get my money?

Withdrawal time frames depend on if you're making a full or partial withdrawal. Please note that in some cases (eg full withdrawals) we need to confirm information with your employer and receive your final contributions before we can process your withdrawal.

Withdrawal type	Service standards
Part withdrawal	Generally, three days once all the required information is received.
Full withdrawal	Full withdrawals can take significantly longer as we need to confirm information with your employer and receive final employer contributions before processing your withdrawal. This may take up to three weeks, depending on how long it takes for your employer to complete these steps. If an Actuary needs to be involved in calculating your benefit, this may increase this time. Once all required information has been received, it generally takes 3–5 days to process the withdrawal.
Early access to super	Longer assessment time frames apply if you're seeking to access your super early.

More information

1800 005 166
+61 3 6270 4800 (if overseas)
info@spiritsuper.com.au
spiritsuper.com.au

GPO Box 1547
Hobart TAS 7001