Creating the future you want following retrenchment

May 2020
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Life takes some unexpected turns, and losing your job is one of them.

And let’s face it, that can be challenging. There’s a lot to think about, and a lot to do – from making sure you can make ends meet to thinking about your next steps.

At the centre of it all is what matters most – you, and your loved ones.

You’ll find practical information here to help you manage your life and finances at this time, including things you can do to support your health and wellbeing.
Reach out for the help you need

There are a few things you can do right now to get help and support.
Centrelink can tell you about government allowances available to you

Applying sooner rather than later for government allowances means you don’t wait longer than you need to.

Centrelink can tell you exactly what you’re entitled to, but here’s an overview of the main benefits:

<table>
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<tr>
<th>You may be eligible for</th>
<th>What it is</th>
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</thead>
<tbody>
<tr>
<td>Newstart Allowance</td>
<td>Financial help for when you’re looking for work or taking part in activities that may increase your chances of finding a job.</td>
</tr>
<tr>
<td>A Health Care Card</td>
<td>Gives you access to cheaper health care services and less expensive medicines. You get one automatically if you qualify for government allowances such as Newstart.</td>
</tr>
<tr>
<td>Age Pension</td>
<td>Government payments if you’ve reached your Centrelink Age Pension age and meet other conditions.</td>
</tr>
</tbody>
</table>

Waiting periods for Centrelink benefits

You may need to wait before payments start. There are different types of waiting periods depending on how much money you have and the reason you no longer have a job. Following is some information on three types of waiting periods. More information on other waiting periods that may apply is available at [humanservices.gov.au](http://humanservices.gov.au)

**Ordinary waiting period**

You may have to wait for one week for your payments to start, called the ordinary waiting period.

**Liquid assets waiting period**

This waiting period applies if you and your partner have enough money to live on for a while held in, for example, bank accounts, financial investments and term deposits. Depending on how much money you have, the waiting period can be from 1 to 13 weeks.

**Income maintenance period**

This waiting period applies if you left or lost your job and your employer paid you for sick leave, annual leave, termination of employment or a redundancy payment. You may not receive any income support payment for this period or you may receive a reduced rate.

More information on waiting periods is available at [humanservices.gov.au](http://humanservices.gov.au)

If you’re experiencing severe financial hardship, you can apply to Centrelink to have waiting periods waived. This would mean receiving your Centrelink benefit earlier.

Next steps

› Call Centrelink on 13 28 50 for more on your eligibility for allowances and entitlements or visit your nearest Centrelink office
› think about registering with Centrelink as a job seeker
› if you’re over 65, specialised help is available on 13 23 00
› if you’re a young person looking for work, you may be eligible for a government employment service called Transition to Work. Visit [employment.gov.au/transition-work](http://employment.gov.au/transition-work)
Creating a budget

If you find the whole idea of budgeting challenging, you’re not alone – most people do. It may help to keep in mind that once you’ve decided where your money needs to go and what to cut back on, you’ll know exactly where you stand. And the result? Peace of mind.

Start with tracking how you’ve been spending your money

Then you can decide how much you need to live on and where you could cut back.

You could look at grouping your expenses as:

 › living expenses
 › mortgage payments or other loan repayments, and
 › savings.

Plan your spending

1. Divide your overall expenses into:
   › The essentials (like groceries, rent, mortgage repayments and power bills).
   › The extras – wants rather than needs (like eating out and entertainment).
2. Compare your payout and your normal take-home pay (after tax). Ask yourself how long your payout covers you for.
3. Look at whether you need to cut down on your household expenditure and what you could cut back on.

Here’s a tip

Download a budget planner and make it your own by putting your own details of expenses and income into it. You’ll find budget planners at moneysmart.gov.au

Did you know you can use your super in an emergency?

Although super is money that’s generally only available when you have reached your preservation age and met certain conditions, you may be able to start using it earlier in an emergency. Emergencies include compassionate grounds or where you are facing extreme financial hardship. Go to page 13 for more on this.

Have you reached your preservation age?

If you’ve reached your ‘preservation age’, or you’re 65 or over, your next move may be to start using your super to live on, either as a pension or as a lump sum. If you’ve reached your preservation age, but you weren’t 60 at the time of the retrenchment, access to your super will usually depend on whether you’ve retired. If you’d like to check your preservation age, see the table below.

You could even work part-time and use some of your super to top up your income. You’ll find more information on this on page 18.

What is your preservation age?

<table>
<thead>
<tr>
<th>If you were born...</th>
<th>You can access your super at...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1 July 1960</td>
<td>55</td>
</tr>
<tr>
<td>1 July 1960 – 30 June 1961</td>
<td>56</td>
</tr>
<tr>
<td>1 July 1961 – 30 June 1962</td>
<td>57</td>
</tr>
<tr>
<td>1 July 1962 – 30 June 1963</td>
<td>58</td>
</tr>
<tr>
<td>1 July 1963 – 30 June 1964</td>
<td>59</td>
</tr>
<tr>
<td>1 July 1964 or after</td>
<td>60</td>
</tr>
</tbody>
</table>

Here’s a tip

Download a budget planner and make it your own by putting your own details of expenses and income into it. You’ll find budget planners at moneysmart.gov.au
Get the right financial advice

We have a mix of advice options to help you manage your finances and help you shape your life the way you want it to be.

Rest assured the professionals you will deal with through AustralianSuper are guided by a set of principles which put your best interests first.

In keeping with this, we never pay advisers incentives, bonuses or commissions. Here’s how we can help:

**Online**
Contact us through Live Chat at australiansuper.com or via our app, for general information about your super. Or to check out our series of online calculators to help you plan for a better future, visit australiansuper.com/calculators
Or if you’re simply after some more information on our advice options, visit australiansuper.com/advice

**Simple***
Call us on 1300 300 273 and ask to speak with a member of the Financial Education and Advice Team (FEAT) for simple, personal advice, such as:
› making an investment choice
› adding extra to your super
› transition to retirement options
› sorting your insurance.

**Comprehensive***
For more complex advice, meeting face-to-face with a professional adviser can help when you want a detailed financial plan and have a number of financial matters to think about*. And where available, you may have the option to meet with an adviser using a secure video link from the comfort of your own home.
Arrange an appointment at australiansuper.com/find-an-adviser

**Webinars**
Our free online webinars are an easy way to learn about managing your super or planning for retirement. You can access our webinars from the comfort of your own home.
Register at australiansuper.com/webinars

Need help with debt?

It’s best to seek help as early as possible if you feel you may have trouble with rent, mortgage or other loan repayments. Most banks, financial institutions and utilities companies will appreciate you getting in touch early and they’ll generally work with you on a solution. You may be able to extend the period of loans or pay interest-only until things improve.

Call the National Debt Helpline on 1800 007 007 (9.30am to 4.30pm, Monday to Friday). This free hotline connects you with a local phone service in your state.

Visit the National Debt Helpline website at ndh.org.au for more information and resources. There’s also plenty of practical advice on managing debt at moneysmart.gov.au

**Financial counselling may help**
The Australian Securities and Investments Commission (ASIC) website can help you find a financial counsellor in your state. Visit the ASIC website at moneysmart.gov.au/managing-debt/financial-counselling

**Other support**
If you can’t afford the basics like food and clothing, a number of social services may be able to help.
Get in touch with:
› The Salvation Army by visiting salvationarmy.org.au or call 13 SALVOS (13 72 58).
› Anglicare have links to various organisations around Australia (like the Brotherhood of St Laurence in Victoria), their contact details and the services they offer. Visit anglicare.asn.au

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* The financial advice you receive will be provided under the Australian Financial Services Licence held by a third party and is therefore not the responsibility of AustralianSuper.
† With your approval a fee may be charged if a Statement of Advice is provided.
Understanding your retrenchment payout

Information on what’s in your payout and how it’s taxed.
What is a genuine redundancy payment?

A genuine redundancy payment is made when the job you are doing no longer exists and can be paid up to a maximum dollar amount based on years of service. You must be less than your Centrelink Age pension age at the time of dismissal for a redundancy payment to qualify as a genuine redundancy payment. See the section on Tax-free limits for the financial year ending 30 June 2020 on the next page for more detail on this.

A genuine redundancy payment may include:
› payment in lieu of notice
› severance payment of a number of weeks’ pay for each year of service
› a gratuity or ‘golden handshake’.

The following payments are not included in a genuine redundancy payment:
› salary, wages or allowances owing to you for work done or leave already taken for work completed
› lump sum payments of unused annual leave or leave loading paid on termination of employment
› lump sum payments of unused long service leave paid on termination of employment under a formal arrangement
› payments made in lieu of superannuation.

Your entitlements

Your payout is probably going to be more than your normal pay so it may seem like a lot of money. Before you make any decisions about how you’re going to spend it, keep in mind that it may take a while for Centrelink benefits to come through, or to find a new job.

Your payout may include:
› a retrenchment payment
› annual leave you’re owed
› long service leave you may have built up
› an amount based on any unused sick leave you have.

You’ll receive an Employment Separation Certificate from your employer that tells you exactly what’s in your payout.

A closer look at your retrenchment payment

Your retrenchment payment is extra money you get from your employer because you’ve been retrenched. It may include two parts:
› a genuine redundancy payment, which is tax free up to a certain limit, and
› an Employment Termination Payment (ETP) which may be taxed.

Check you’re getting everything you’re owed

Talk to your employer or to the Human Resources department.

Are you feeling unsure or think you are not getting everything you’re owed?

Visit employment.gov.au or call 1300 488 064.

Super isn’t included in your payout. Employers will generally send any super you’re owed to your super fund.
Tax on your genuine redundancy payment

Any payments that meet the conditions of a genuine redundancy are tax free up to a limit based on your years of service with your employer. The tax-free limit is a flat dollar amount plus an amount for each year of completed service in your period of employment with your employer. Indexation changes the tax-free limit on 1 July each year.

Tax-free limits for the financial year ending 30 June 2020

The limits are $10,638 plus an additional $5,320 for each year of completed service with the employer making the payment.

Tax on your employment termination payment (ETP)

Your ETP may contain:

› a tax-free component if you have any service prior to 1 July 1983 or you are retrenched because of invalidity, and

› a taxable component which is your total ETP less the tax-free component.

See the table below for how the taxable part of an ETP is taxed. The ETP cap amount is $210,000 for the year ending 30 June 2020.

<table>
<thead>
<tr>
<th>Age *</th>
<th>Tax treatment †</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preservation age or over</td>
<td>Up to the ETP cap amount</td>
</tr>
<tr>
<td>Under preservation age</td>
<td>Up to the ETP cap amount</td>
</tr>
<tr>
<td>All ages</td>
<td>Amount above the ETP cap amount</td>
</tr>
</tbody>
</table>

If your ETP doesn’t meet the rules on genuine redundancy, a different limit, known as the whole-of-income cap, may also apply to the taxable amount of your ETP. The whole-of-income cap is $180,000 but it is reduced by the amount of other income, like salary and wages, that you receive during the year.

ETP amounts paid in excess of these caps are taxed at the highest marginal rate.

Tax on unused annual leave and long service leave if you’re retrenched

<table>
<thead>
<tr>
<th>Type of leave</th>
<th>Tax treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long service leave accrued before 16 August 1978</td>
<td>5% of total is taxed at marginal tax rate</td>
</tr>
<tr>
<td>Long service leave accrued on or after 16 August 1978</td>
<td>Taxed at maximum rate of 32% †</td>
</tr>
<tr>
<td>Annual leave and Annual leave loading</td>
<td>Taxed at maximum rate of 32% †</td>
</tr>
</tbody>
</table>

Need more information on tax?

Visit the ATO’s website at ato.gov.au

Need more information on bankruptcy and liquidation?

Visit the Fair Work Ombudsman website at fairwork.gov.au

Has your employer gone bankrupt or is in liquidation?

If your employer has gone bankrupt or is in liquidation, you’re still entitled to a payout, so it’s worth checking you’re getting everything you’re owed.

If not, and the bankruptcy or liquidation took place less than 12 months ago, you may be able to get financial help from the Australian Government through the Fair Entitlements Guarantee (FEG).

You may be able to receive:

› up to 13 weeks’ unpaid wages

› all unpaid annual and long-service leave

› up to 5 weeks’ wages in lieu of notice

› up to 4 weeks’ wages in retrenchment entitlements for each year of service.

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Need more information on bankruptcy and liquidation?

Visit the Fair Work Ombudsman website at fairwork.gov.au

* Age on the last day of the financial year when the payment was made.
† Includes 2% Medicare Levy.
Making the most of your super

Whether you’re working or retiring, going straight into another job, or even setting up your own business, there are a few ways you can make your super work for you.
Combine your super to make the most of your money

Placing your super into one account means you don’t pay fees to multiple super funds. It also makes it easier for you to keep track of how much you have in super.

Before you combine your super you may also want to check if any fees or charges may apply or what happens to any insurance cover you have with them.

Take the next step
Combine your super in one easy step. Visit australiansuper.com/combine

Keeping your insurance cover on track

Your AustralianSuper membership provides different types of insurance including Death, Total & Permanent Disablement (TPD) and/or Income Protection.

Any cover you have with AustralianSuper will continue for 16 months, even if you’re not receiving money into your super account.

After 16 months, unless you’ve received a contribution (excludes investment returns, investment credits and refunds), your cover will stop – but we’ll write to you before this happens. The letter will explain the actions you can take to keep your cover if you want to.

Is your cover right for you?

Now is a good time to review your insurance and, if you think it’s necessary, adjust it to suit your needs. If you’re not sure what cover you have, log into your account and go to My insurance or call us on 1300 300 273.

Three ways to keep your insurance cover on track

Review your level of cover
A different level of cover could help with your costs.
You can weigh up the differences using our online insurance calculator at australiansuper.com/InsuranceCalculator

Changing jobs? Review your individual work rating
We offer three types of individual work ratings: Standard, Low Risk and Professional. A Standard work rating is automatically given to most new members, regardless of their occupation (including manual or hazardous occupations).

If you have a Standard work rating, you’ll pay the highest for your insurance, so you should consider whether you’re eligible for a Low Risk or Professional rating.

Find out using our Work Rating Wizard at australiansuper.com/calculators
To apply to change your work rating, log into your account and go to My insurance or use the Change your work rating form at australiansuper.com/InsuranceForms

Check if you have other Death, TPD and/or Income Protection policies outside of AustralianSuper
Have they been affected by your loss (or change) of employment?
Using your super in an emergency

Earlier in this guide we talked about being able to use some of your super in an emergency, even if you haven’t met the usual requirements for accessing your super.

Situations where you or your dependants (people who depend on you financially) may be able to use some or all of your super include:

› if you have less than $200 in your account when you leave an employer
› you need emergency access because of severe financial hardship or on compassionate grounds.

What does ‘compassionate grounds’ mean and do you qualify?
The Australian Taxation Office (ATO) decides on whether you qualify for compassionate grounds.

Compassionate grounds apply if you need to cover costs for you or your dependants of:

› medical expenses (including medical transportation)
› home loan repayments to avoid foreclosure on your mortgage
› modifications to your house or car to accommodate severe disability, and
› palliative care or funeral expenses.

To find out more visit australiansuper.com/WithdrawEarly or call 1300 300 273.

What does severe financial hardship mean and do you qualify?
Regardless of your age, you can apply for one payment of up to $10,000 (gross) in a 12-month period if:

› you’ve received eligible Commonwealth income support payments at the time of the claim and have been on these payments for a continuous period of at least 26 weeks
› you’re receiving these payments when you make your application for payment under financial hardship, and
› you’re unable to meet reasonable and immediate family living expenses or
› you’ve received Commonwealth income support payments for a cumulative period of at least 39 weeks since reaching your preservation age, and
› you’re unemployed or employed for less than ten hours a week when you make your application for payment under financial hardship.

For more on accessing your super under compassionate grounds, call ATO on 13 10 20 or visit ato.gov.au

COVID-19 and accessing super early

The government is allowing early access to super savings for people financially affected by Coronavirus (COVID-19). If you’re eligible, you can apply online through myGov (my.gov.au) from 20 April 2020, to access up to $10,000 of your super before 1 July 2020 and a further $10,000 from 1 July 2020 to 24 September 2020. These payments will be tax free.

Three things to think about before accessing your super early:
1. other types of financial support that you could access now
2. the long-term impact on your retirement savings
3. how your insurance cover may be affected.

For details visit australiansuper.com/CoronavirusSuperAccess

Here’s a tip
To apply to AustralianSuper for a payment based on severe financial hardship, log into your online account at australiansuper.com/login and complete an Application for payment of benefit – financial hardship form.
If you’re going to keep working
Help with finding a new job, setting up your own business or getting some training.
Consider your next steps

Now may be a good time to consider the next steps in your working life or career. Maybe you want to start looking for a job immediately? Or, this may be a chance to consider retraining for a new career or upgrading your skills so you can get back into work with improved prospects. Whatever you decide, here are a few tips on where to start.

Finding a new job

Help finding work through Centrelink

Every Australian worker who’s retrenched is eligible for help finding work from the government. This is available to you even if you don’t qualify for any Centrelink payment. When you contact Centrelink for assistance and you’re suited to work, you may be referred to jobactive. jobactive is a national network of private and community organisations commissioned by the government to help job seekers find work. The Department of Employment contracts organisations to give job seekers help through jobactive.

Take the next step

Call Centrelink Employment Services on 13 28 50 or contact your nearest Centrelink Customer Service Centre. You can also view the jobactive website at jobactive.gov.au and contact your local jobactive provider directly.

Tips for finding a job

If it’s a long time since you last applied for a job, you may need to brush up your job-seeking skills to help you put your best foot forward. Check out the Department of Employment website for ideas and information. Want some tips on finding a new job? Visit employment.gov.au

Need to do some training?

If you want to upgrade your work skills, the best summary of all the training services available is the Vocational Education and Training website. Go to training.gov.au

Having trouble finding an interview outfit?

If you’re a woman, and you’re having trouble finding the right interview outfit, Fitted for Work may be able to help. Fitted for Work’s vision is financial independence for women and they achieve this by helping women who are experiencing disadvantage get work and keep it. They can help with interview preparation, mentoring, personal outfitting, and work experience. Fitted for Work has boutiques in Melbourne and Parramatta. For more information visit fittedforwork.org
Starting your own business?
If you’re thinking of setting up your own small business, you may be eligible for the New Enterprise Incentive Scheme (NEIS) through the Department of Employment. If you’re eligible to participate, NEIS will train you in small business management and business skills including help you write a business plan and apply for finance if you need it. Find out more at employment.gov.au/neis

Heading back to work
Starting a new job can be an exciting time. It can also be busy and a bit stressful. To get your super and tax sorted, fill out a TFN form so you pay the right amount of tax. Make sure you don’t forget to include if you’re paying off a higher education debt, because this may influence your rate of tax.

Make a super choice
Most Australians can choose where they want their super paid. Consider staying with AustralianSuper at your new job to avoid paying duplicate fees or having your super paid into a fund that’s not profit-to-member.
If you don’t choose your own super fund, your employer will nominate a ‘default’ fund for you, which could cost you more in fees than you pay as an AustralianSuper member. See how different types of funds compare. Visit australiansuper.com/compare for more.

Here’s a tip
To tell your new employer to pay your super to AustralianSuper
Simply complete a Standard Choice form or a Pay my super into AustralianSuper form and give it to your new employer. You can download the forms at australiansuper.com/forms
Tip: You’ll need your member details which are available in your online account at australiansuper.com/login or on your member statement. Find out more at australiansuper.com/ChangingJobs

Supporting businesses through COVID-19
As we face unprecedented times with COVID-19, there has been a significant impact on local business owners and employees. It’s important to understand what options are available to you. We recommend visiting ato.gov.au/Business/Starting-your-own-business/
If you are actively looking to return back to the workforce we suggest staying up to date with the latest information at employment.gov.au/i-want-job and learning about the jobactive initiative.
Getting back on your feet

Your savings plan
Starting a new job may be a good time to start saving on a regular basis, especially if you’re earning a little more. Perhaps consider splitting your pay, putting some into an ‘everyday’ account – for your day-to-day living expenses – and some into a ‘savings’ account.

Boosting your super
A new job may also be a good time to set up a regular super savings plan. If you find you can afford to invest extra money in your super now, you’ll have a better chance of financial security when you retire.
Even a small amount over time could mean a lot more for you to spend when you finish working. The sooner you start, the less you’ll need to contribute to make a real impact.
Before you add to your super, we’d encourage you to think about how much debt you have and whether paying extra to your super is right for you.
Find out more by visiting
australiansuper.com/grow-your-super

Three top reasons for getting your super paid into AustralianSuper

Low fees, more savings
Low admin fees, competitive investment fees and zero cost to set up an account.

Performance
A history of strong, long-term investment performance†.

Insurance
Insurance cover for peace of mind.

Is transition to retirement for you?
If you’ve reached your preservation age, using a transition to retirement (TTR) strategy means you can access some of your super to give you a regular income while you’re still working, allowing you to work fewer hours or save more super.
TTR means you could:
› ease into retirement, take time out to care for others or yourself, or extend your career by working less
› use your super to top up your take-home pay*
› continue to grow your super as you keep working.
You only need $25k in super to open an account, and you can change your mind at any time. A TTR strategy can be complex and isn’t suited to everyone. It’s a good idea to get advice to see if a TTR Income account is right for you.
Find out more at
australiansuper.com/TransitionToRetirement

* Income payments from super may be subject to personal income tax if you’re under 60.
† Investment returns are not guaranteed. Past performance is not a reliable indicator of future returns.
If you’re going to give up work and retire
If you’ve decided now may be a good time to retire, it’s also a good time to do some planning before you make your next move.
Here are a few things to consider

How much money will you need in retirement?
Think about how long you might need your retirement savings to last. With current life expectancies, and depending on when you retire, your retirement income may need to last 20 years or longer.

How much super will you need?
Whatever your retirement plans, you’ll need money put away to meet your daily expenses, as well as any unexpected costs. How much you actually need will also depend on any outstanding debts you might have.

What about the Government Age Pension?
Are you eligible?
The Government Age Pension is a regular fortnightly income from the Australian Government that helps eligible older Australians pay for basic living expenses.

You need to meet eligibility requirements to receive the Age Pension. This includes your residential status and whether you have reached the qualifying pension age. How much you receive depends on your income and assets.

Your qualifying age for the Age Pension depends on when you were born (see table below). The qualifying pension age for men and women born from 1 July 1952 gradually increases from 65 to 67 years as set out in the table below.

For more information on eligibility visit humanservices.gov.au/AgePension

**COVID-19 Deeming rate changes**
As of 1 May 2020, the Government has reduced the upper social security deeming rate to 2.25 per cent and the lower deeming rate to 0.25 per cent. The reductions are part of the Government response to COVID-19, and reflect the low interest rate environment and its impact on the income from savings. This may benefit members who receive the Age Pension.

For details visit the Treasury website treasury.gov.au/coronavirus/households#deeming

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**Age Pension income and assets tests**
The Age Pension has income and asset limits which affect the amount of Age Pension you receive.

The value of the assets you own determines if you can get the Age Pension and how much you can get.

The thresholds in the table below are valid as at 20 March 2020 and are indexed on a regular basis. To view the most up to date thresholds, visit humanservices.gov.au/AgePension

**Age Pension assets test – 20 March 2020**

<table>
<thead>
<tr>
<th>If you’re</th>
<th>Full Age Pension if your assets are below</th>
<th>No Age Pension if your assets exceed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Home owner</td>
<td>Non home owner</td>
</tr>
<tr>
<td>Single</td>
<td>$263,250</td>
<td>$473,750</td>
</tr>
<tr>
<td>Couple, combined</td>
<td>$394,500</td>
<td>$605,500</td>
</tr>
</tbody>
</table>


**Age Pension income test – 20 March 2020**
The income test involves assessing your income from all sources including financial assets such as super. Here are the income rules for most pensioners.

**Single person:**

<table>
<thead>
<tr>
<th>If your income per fortnight is</th>
<th>Your Age Pension will reduce by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $174</td>
<td>$0</td>
</tr>
<tr>
<td>Over $174</td>
<td>50 cents for each dollar over $174</td>
</tr>
</tbody>
</table>

**Couple living together or apart due to ill health:**

<table>
<thead>
<tr>
<th>If your combined income per fortnight is</th>
<th>Your combined Age Pension will reduce by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $308</td>
<td>$0</td>
</tr>
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<td>Over $308</td>
<td>50 cents for each dollar over $308</td>
</tr>
</tbody>
</table>

For more detail on the Age Pension, assets and income tests, visit humanservices.gov.au

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Your super could form part of your retirement income

When you’ve reached your preservation age and have either permanently retired or changed jobs after turning 60, you can access some or all of your super as:

› a regular income by opening a Choice Income account
› a one-off lump sum
› a combination of the above.

And don’t forget – before making any big decisions about accessing your super, it’s always a good idea to seek help or advice.

Consider getting some professional financial advice

AustralianSuper members have access to a range of financial advice and support options. Here’s how we can help:

**Online**

Contact us through Live Chat at australiansuper.com or via our app for general information about your super. Or to check out our series of online calculators to help you plan for a better future, visit australiansuper.com/calculators

Or if you’re simply after some more information on our advice options, visit australiansuper.com/advice

**Simple***

Call us on 1300 300 273 and ask to speak with a member of the Financial Education and Advice Team (FEAT) for simple, personal advice, such as:

› making an investment choice
› adding extra to your super
› transition to retirement options
› sorting your insurance.

**Comprehensive***

For more complex advice, meeting face-to-face with a professional adviser can help when you want a detailed financial plan and have a number of financial matters to think about. And where available, you may have the option to meet with an adviser using a secure video link from the comfort of your own home.

Arrange an appointment at australiansuper.com/find-an-adviser

**Webinars**

Our free online webinars are an easy way to learn about managing your super or planning for retirement. You can access our webinars from the comfort of your own home.

Register at australiansuper.com/webinars

**Other financial guidance**

**Centrelink’s Financial Information Service Seminars**

These seminars cover a range of financial issues including the options you have following retrenchment. For more information visit humanservices.gov.au

**MoneySmart website**

The Australian Securities and Investments Commission (ASIC) MoneySmart website provides information about setting and achieving financial goals. You can also download or order useful publications from the website at moneysmart.gov.au or contact ASIC on 1300 300 630

**Financial Counselling Australia**

Provides free financial counselling services plus help negotiating with banks, finance companies and debt collectors. For more information or to access the service call 1800 007 007 or visit financialcounsellingaustralia.org.au

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* The financial advice you receive will be provided under the Australian Financial Services Licence held by a third party and is therefore not the responsibility of AustralianSuper. Some personal advice may attract a fee, which would be outlined before any work is completed and is subject to your agreement.
Managing change and looking after yourself

There’s plenty of support out there to help you with any challenges you come across. Here are a few tips for looking after your wellbeing.
Keep in touch
This can be a stressful time for you and your loved ones. That’s why it’s important to keep in touch with your family and friends. Catching up with them can help you feel better and, if you’re looking for work, your social network could help you find it.

Ask for help
The support of your family and friends or simply having a bit of time to get used to the new situation may be all you need. But if you remain angry, frustrated, pessimistic, anxious or depressed, you may find it helpful to talk to someone.

Beyondblue
Beyondblue can give you practical suggestions to help you maintain a positive outlook and find the support you need. They’ve also put together a very helpful booklet Taking care of yourself after retrenchment or financial loss. As well as providing tips and advice to support you through a difficult period, the booklet outlines the range of emotional reactions that people commonly feel after being retrenched.

Next steps
Visit beyondblue.org.au or call 1300 224 636.

SuperFriend
Created by a group of Industry super funds and group life insurers, including AustralianSuper, SuperFriend brings together the resources of a wide range of health organisations and offers information and advice including:
› simple and effective ways to improve physical and mental wellbeing
› what a healthy work/life balance may look like (of course it’s different for everyone)
› detecting the symptoms of common mental and emotional problems
› where to go for help.
Visit superfriend.com.au for more.

Try not to take it personally
It’s important to remember retrenchments happen when an employer’s business circumstances change, not because of you. Many industries have felt the impact of global downturns, often placing businesses under pressure to cut costs.

Maintaining a focus on the positive
You’ve received a payout that will help your finances at least temporarily. If you can, try to get as much value out of it as you can. Schedule in some relaxation time, and while you’re at it, have a think about your next steps.
Take the time to pause and look after yourself

We know there’s a lot to do at this time; whether it’s managing your finances, looking for a new job, or checking you’re getting everything you’re entitled to. It’s all challenging, and it’s all important, which can make it hard to prioritise.

Taking the time to pause and check in on yourself is really important right now to help protect your health and wellbeing so you can manage things effectively.

Once you’ve done your budgeting, investigated and possibly applied for government support, you’ll probably be considering your next move.

Your choices from here have a lot to do with your age and circumstances, so we’ve divided this part of the guide into two sections to keep it relevant.

Is now the right time to get financial advice?

Getting the right financial advice now could help shape your life the way you want it to be.

Once you’ve applied for benefits, done your budgeting and managed any loans or debts, AustralianSuper offers you a choice of advice options, from general advice over the phone to more complex advice, face-to-face.*

To find out more about your financial advice options, visit australiansuper.com/advice

* The financial advice you receive will be provided under the Australian Financial Services Licence held by a third party and is therefore not the responsibility of AustralianSuper.
Which situation is like yours?

In this section, you’ll find snapshots of three typical situations retrenchment may leave you in and how they can be handled. The details may not fit your situation exactly, but following someone else’s story may help make your options clearer and help you see the bigger picture.
Joe is worried about making ends meet

Even before he was retrenched, it took Joe and his wife’s total salary to cover the mortgage and his family’s living expenses. Joe and his wife have quite a lot of debt including some computer equipment they bought almost a year ago on an interest-free, payment-deferred deal. Now the interest-free period is almost up and they face a huge interest bill if they can’t pay the full amount in time.

What Joe and his wife do

1st week

 Checks his retrenchment payment
Joe has to take his whole package in cash, which is:
› a retrenchment payment of four weeks’ pay (one week for each year he’s been in the job, plus a base payment of one week)
› payment for four weeks of unused leave.

Contacts Centrelink immediately
› When he speaks with Centrelink, he finds out he’ll need to wait eight weeks before he can get income support as that’s how long his payout covers.
› He registers for jobactive.
› He can contact his local jobactive provider straight away.

1st month

 Works out new domestic arrangements with his wife
› Joe’s wife has a part-time job. Now Joe can look after the kids after school, they decide she can increase her hours and bring in a bit more money.
› They get some free financial counselling through a charity.
› The financial counsellor Joe speaks with suggests they bundle this other debt with their mortgage to relieve the immediate pressure.

 Sets a budget to help cut down on some expenses
› The financial counsellor helps Joe and his wife draw up a budget. Even if Joe faces a long period of unemployment or limited casual work, the new budget is one that they’ll be able to manage.

 Meets their home mortgage provider to renegotiate the terms of their loan
› When Joe and his wife meet with their home mortgage provider, it’s agreed that if Joe is out of work for an extended period they can make interest-only monthly repayments. If Joe finds a job in less than eight weeks, he can use some of what’s left of his package to reduce his mortgage.

 Catches up with old workmates
› At a lunch with some of his old workmates who were also retrenched, it’s decided that they’ll meet every Friday.
Hayley is waiting for her entitlements

Hayley was retrenched because her employer went into liquidation. She hasn’t been paid for her unused leave and she didn’t receive a retrenchment payment.

What Hayley does

1st week

Contacts Centrelink

› When she speaks with Centrelink, Hayley finds out about the Fair Entitlements Guarantee (FEG), a basic payment scheme set up to help employees like her whose entitlements haven’t been paid. She goes online and calls the FEG hotline to find out more.
› She is eligible, but FEG can only pay her four weeks’ wages in retrenchment entitlements for each full year she worked with her employer, instead of the six weeks per year she should have received.
› Hayley sends in a FEG claim form and considers what to do about finding a new job. With a bit of money in the bank and the FEG payment to come, she decides that this could be a good chance to increase her skills.

1st month

Investigates training opportunities

› Hayley contacts Centrelink and asks about retraining schemes and support for job seekers.
› She can’t get the Newstart Allowance yet because her FEG payment will include some unused leave as well as her retrenchment entitlement.
› Centrelink tells her about a number of retraining options she can think about.

Gets a referral to jobactive

› Centrelink also refers Hayley to jobactive.
› Hayley starts looking for part-time work to help cover her basic living expenses while she does some retraining to improve her qualifications.
Rosemary is getting ready for retirement

Rosemary’s retrenchment package is quite substantial. She’s just turned 60, and her husband’s still working, but the extra money isn’t enough to allow her to retire.

What Rosemary does

1st week

Discusses retirement finances with her husband
› On reviewing their finances with her husband, Rosemary’s worked out she’d need to keep working at least part-time for another five or six years to meet their financial goals. She’s keen on working a bit longer herself if it means they can both retire at the same time.

Makes an appointment with a financial planner
› Rosemary calls AustralianSuper for advice and arranges to speak to a financial planner to discuss her options.
› Rosemary also discusses eligibility for the Age Pension through Centrelink and financial planner.

1st month

Sees the financial planner and reads the transition to retirement information at ato.gov.au
› When Rosemary meets with the financial planner, they show her how advantageous it could be to go on working part-time – in particular as part of a transition to retirement (TTR) strategy. By opening a TTR Income account, it not only means she could access some of her super but could also enjoy tax savings. Plus her super will keep growing because of the contributions she’s making from her part-time salary.

Looks for part-time work
› Working part-time may mean that Rosemary ends up fully retiring slightly later than originally planned, especially if it takes her a while to find her first part-time job. Although the job market is difficult at the moment, Rosemary is happy to keep looking for part-time work as long as it takes.

Looks for voluntary work in her area
› Rosemary visits govolunteer.com.au to see what voluntary work is available in the local area. She feels that doing a few hours a week for a community organisation will introduce her to a new group of people and keep her spirits up while she’s job-hunting.
Take the next step towards managing your life and finances with our support.

Find out how we can help.

Call
1300 300 273
8am–8pm AEST/AEDT weekdays

Visit
australiansuper.com