

CASHING OUT YOUR SUPER

Super Components

Your superannuation interest is comprised of three components:

1. Preserved Component – your super balance must either stay in your current fund or you can roll it into another eligible super fund. However, if you meet a condition of release this component changes into unrestricted non-preserved. You will need to provide your super fund trustee with appropriate documentation to show that you meet a condition of release.
2. Restricted Non-preserved – this component will become unrestricted non-preserved on termination of your employment if your employer has contributed to your fund. Otherwise, as with the preserved component it will either stay in your current fund or you can roll it into another eligible super fund.
3. Unrestricted Non-preserved – your super balance can stay in your fund, be rolled into another eligible super fund or you can receive the balance in a lump sum or an income stream.

Tax Payable on a Lump Sum Super Benefit

The tax payable on lump sum super benefits (from a taxed source)

Component	Tax payable
Tax free	Nil
Taxable recipient under 55	21.5%
Taxable recipient 55 or over	First \$145K is tax-free and the remainder taxed at 16.5%
Taxable recipient over 60	Nil

If you keep your money in super the benefits are:

- ✓ Investment earnings are taxed at a maximum of 15% which may be lower than your marginal rate outside of super; and
- ✓ You can defer or eliminate lump sum tax. If you wait until you are 60 to access your super you receive your lump sum benefit tax-free.