

# Redundancy and your super

Redundancy can be a time of uncertainty with a number of issues to consider. The good news is you're not on your own. At TelstraSuper we can support you through this time with assistance and advice.

This information sheet provides answers to questions members often ask when facing redundancy. Our team can assist you further – call **1300 033 166**.

You can stay as a TelstraSuper member for life and continue to enjoy our range of membership benefits including consistently competitive fees and investment returns, access to expert financial advice, a broad range of investment options and cost-effective insurance cover.

When you leave the Telstra Group, which includes Telstra or a Telstra related company, your super balance will be transferred into our personal super membership category, *TelstraSuper Personal Plus*. No fees or charges apply to this transfer. We'll write to advise you when the transfer has been completed with details about your new membership category.

## Can I access my super if I'm made redundant?

Generally, your super is preserved until you meet a relevant condition of release. Relevant conditions of release include:

- permanent retirement from the workforce on or after your preservation age
- leaving employment with an employer who has made contributions to TelstraSuper for you after turning age 60, without necessarily retiring permanently
- reaching 65 years of age, whether you've retired or not
- no longer working due to permanent incapacity
- having a terminal illness.

If you're a longer serving employee with a restricted nonpreserved component in your super from before July 1999, you can also withdraw this component if you're made redundant. Higher lump sum tax applies if you're under your preservation age.

In accordance with government regulations, you may be eligible to claim up to \$10,000 of your preserved benefit on the grounds of severe financial hardship.

You may also be able to apply for early release on certain compassionate grounds. Applications must be made through the Department of Human Services – visit [www.humanservices.gov.au](http://www.humanservices.gov.au) for more information.

## What assistance can I get from TelstraSuper?

As everyone's redundancy is different, and may be complex, it's important to seek professional advice. TelstraSuper Financial Planning offers general and simple personal advice at no additional cost over the phone. This is a great way to find out more about redundancy so you can understand your options including Centrelink entitlements, payment options, taxation, and any implications for your super such as investment choices you may need to make and changes to your insurance cover.

TelstraSuper Financial Planning Advisers can help you work out if you would benefit from receiving comprehensive personal advice, for which advice fees are payable.

We're committed to supporting our members through all life stages with:

- financial advice over the phone and in person – call TelstraSuper Financial Planning on **1300 033 166**
- on-site information sessions
- detailed information on our website - visit [telstrasuper.com.au](http://telstrasuper.com.au)

## Can my Telstra redundancy payment be made directly into my super?

No. You must receive your redundancy payment first, subject to any tax. It can then be paid into super as a post-tax (non-concessional) contribution, subject to the non-concessional contribution caps

## How will my redundancy payment be taxed?

The tax is generally different for each person, based on length of service with the Telstra Group and age. Redundancy payments are broken down into a Tax Free component, and an Employer Termination Payment, which is generally subject to tax.

## How can I arrange for my new employer to contribute to TelstraSuper for me?

TelstraSuper Personal Plus accepts Super Guarantee (SG) contributions from any employer. Simply provide your new employer with a **Super Choice** form, available from our website, so they can contribute to your TelstraSuper Personal Plus account. You can print the form or email it to your employer.

Keeping all of your super with TelstraSuper means your entire super balance can benefit from our strong investment returns and competitive fees. It also helps you avoid paying multiple fees for multiple super accounts or losing track of any of your accounts.

## How will my super balance be invested once I leave the Telstra Group?

If you're transferring from TelstraSuper Corporate Plus, there will be no change to your super investments or fees when you transfer to TelstraSuper Personal Plus.

If you're transferring from a TelstraSuper Division 2 arrangement, your super is moving from a defined benefit into a market-linked accumulation product. This means you can choose how you want your super invested.

Your super balance will automatically be transferred to the Cash investment option for 90 days after we're notified that you've left Telstra. If you don't advise us of an investment choice, your balance will be invested in the same option you chose for your defined benefit Voluntary Accumulation Account (if you have one) or the relevant MySuper arrangement for your age group (our age based default investment option).

We offer an extensive range of investment options from low-risk cash or fixed interest options, to higher risk options that provide exposure to growth assets, such as shares and property. Members can choose to invest in a single option or make up their own mix of these options. We recommend you seek financial advice to understand the investment choices which may be most suitable for you.

## What fees are payable in TelstraSuper Personal Plus?

As a TelstraSuper Personal Plus member you will pay an administration fee of \$1.50 per week plus 0.20% pa. Investment management fees and investment transaction fees (buy-sell spreads) are also payable. For more information see the **Additional Information About Your Super Guide** at [telstrasuper.com.au/pds](http://telstrasuper.com.au/pds)

## What will happen to my insurance when I leave Telstra?

TelstraSuper Personal Plus offers eligible members base Death and Total & Permanent Disablement (TPD) cover and income protection

cover. Upon transfer to TelstraSuper Personal Plus, your previous level of Death and TPD insurance is automatically transferred and is split between base cover and top-up cover to the same total value. Your base cover is determined by your age next birthday\* (refer to our website for more details).

Premiums are payable for this cover and are deducted quarterly. Your TelstraSuper Personal Plus welcome letter will confirm cover levels and premiums. You can opt-out of the cover within 30 days of receiving your letter and any premiums incurred will be refunded.

If you're transferring from any membership category other than TelstraSuper Division 2, your previous Income Protection transfers automatically. To maintain this cover you'll need to provide details of your new salary and occupation, and your employer will need to start paying their SG contributions to your TelstraSuper account. Both of these actions need to occur within 120 days of you leaving your former employer.

If you're transferring from TelstraSuper Division 2 you can apply for income protection cover if you're continuously employed and working at least 15 hours per week. Full details will be provided in your TelstraSuper Personal Plus welcome kit. Before you make any decisions about your insurance, contact us and the advice team can help you assess your needs.

## What happens to my super if I don't work for a while after leaving the Telstra Group?

You can still maintain your TelstraSuper Personal Plus account, even if no contributions are made to it. Keep in mind you may have premiums for Death and TPD cover deducted from your account. If or when you start working again, your employer contributions and personal contributions (as applicable) can be sent to your TelstraSuper account.

## What happens to my super if I want to retire?

For members who've reached their preservation age (age 57 in the 2018/19 financial year), TelstraSuper offers TelstraSuper RetireAccess®, a competitively priced, tax effective income stream. You can open a TelstraSuper RetireAccess account by transferring your super balance from your TelstraSuper Personal Plus account. If you're considering retirement we recommend you seek financial advice from TelstraSuper Financial Planning.

## Will my redundancy payment affect my Centrelink payments?

Your redundancy payment may affect any payments you currently receive from Centrelink such as the Family Tax Benefit, Child Care Benefit or Rent Assistance. Check with Centrelink or contact us. You may wish to check with Centrelink about any entitlements you may be eligible for while you are not working.

To discuss your advice needs call TelstraSuper Financial Planning on 1300 033 166.



1300 033 166  
Monday to Friday



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\* All references to age are age next birthday as at last 1 July. ® is a registered trademark in Australia of the Telstra Corporation Pty Ltd. © TelstraSuper Pty Ltd ABN 86 007 422 522, AFSL 236709, is the trustee of the Telstra Superannuation Scheme (TelstraSuper) ABN 85 502 108 833. References to TelstraSuper Financial Planning are references to Telstra Super Financial Planning Pty Ltd, ABN 74 097 777 725, AFSL 218705. This information is general advice only and does not take into account your individual objectives, financial situation or needs. Before acting on any advice you should assess whether it is appropriate for you and consider talking to a financial adviser. Before making any decision or acquiring any product, you should obtain and review the product disclosure statement by visiting our website at [telstrasuper.com.au](http://telstrasuper.com.au) or calling us on 1300 033 166.