LEGAL & FINANCIAL
fact sheet

Cancer Council

Superannuation and cancer

Guide for people affected by cancer

Many people with cancer have questions about superannuation ("super"). This fact sheet explains how to find and access super, what tax you may need to pay when accessing super, and whether you have insurance attached to your super.

What is superannuation?

Superannuation is money saved for when you retire. If you work, your employer will make compulsory contributions to your super. You may also have been making extra contributions to your super yourself.

Accessing your super

This table shows when and how you can access your super if you are aged 60 and over.

Aged 65 or over	You can withdraw your total super in one payment (lump sum) or as regular recurring payments (income stream). This applies even if you are still working since you have reached 'retirement age.'
Aged 60–65 and retired	You can withdraw your total super in one payment (lump sum) or as regular recurring payments (income stream).
Aged 60–65 and working	You can withdraw some of your super in regular recurring payments (income stream) as part of a transition to retirement.

! Contact your super fund to access your super. Accessing your super can have implications on tax, insurance, and if you receive Centrelink payments. Consider seeking financial advice before accessing your super.

Accessing your super early

There are a few situations where you may be able to access some or all of your super early – that is, before your preservation age (the age you must reach before you can access your super). On 1 July 2024, the preservation age became 60.

If you have not yet reached your preservation age, you may be able to access your super earlier if you meet the requirements for any of the "early access" situations. These include:

Severe financial hardship – if you can't pay your living expenses and have been receiving Centrelink income support payments continuously for 26 weeks.

Temporary incapacity – if you are temporarily unable to work or need to work fewer hours because of a medical condition.

Permanent incapacity – if, because of a medical condition, you cannot return to your usual job (known as "own occupation") or another job for which you are reasonably suited (known as "any occupation"); you will usually need to provide medical certificates from at least 2 medical practitioners.

Compassionate grounds – to pay unpaid expenses for you or a dependant for the following reasons: medical treatment; medical transport; payments on a home loan to prevent you losing your home; modifying your home or vehicle or buying disability aids because of a severe disability; palliative care;

Centrelink income support payments include: Aged Pension, Austudy, Carer Payment, Disability Support Pension, JobSeeker Payment, Parenting Payment, Farm Household Allowance and Youth Allowance.

and funeral or burial costs for a dependant. You can only access the amount of the expense and must not have already paid for this.

Terminal medical condition – you will need 2 medical practitioners (most commonly an oncologist, GP and/or specialist) to certify that you have a condition that is likely to result in death within 24 months.

Low super balance – if the balance of your super account is less than $200.

How to apply for early access to your super

The way you apply for early access to super depends on the reasons you want to access your super early.

- **For severe financial hardship, temporary or permanent incapacity and terminal medical condition:** contact your super fund.
- **For compassionate grounds:** contact the Australian Taxation Office (ATO).

For more information about accessing your super for any of these reasons, visit ato.gov.au and search "early access to super". You can also contact your super fund directly to discuss or seek advice from a financial adviser.

Any insurance in super will be cancelled if you withdraw or consolidate the total amount of your super. Check your insurance entitlements before making any changes. If you're unsure, contact your super fund, talk to a financial adviser or call Cancer Council on 13 11 20.

Finding your super

It's common to have several super accounts, especially if you've changed jobs, worked part-time or had casual jobs. It can be easy to lose track of where all your super is held.

The ATO keeps a record of all super accounts in Australia. You can use ATO online services through myGov (the Australian Government online portal) to:

- see details of your super account/s
- find lost super held by your super funds, or lost or unclaimed super held by the ATO
- combine multiple super accounts into one account (known as "consolidating").

How to keep track of your super

Go online

Visit my.gov.au. Sign in or create an account – you'll need an email address to create an account. Link your myGov account to the ATO to see all your super accounts or combine account.

Call the ATO

Call ATO on 13 10 20 8am–6pm Monday to Friday. Provide your full name, date of birth, address and tax file number (TFN). Ask the call centre operator to perform a search for all your lost, unclaimed and current super.

Use the ATO app

Download from Apple App Store or Google Play.

Contact your super fund

They'll use the SuperMatch web service if they offer this service (you will need your TFN).

Tax on super

How much tax you pay on your super when you withdraw it depends on whether the money in your super is tax-free or taxable. Super can include both. Super that is tax-free when withdrawn is known as the "tax-free component". Super that is taxable is known as the "taxable component".

You don't pay tax on the tax-free component if you withdraw it, but you will usually pay tax on the taxable component. Your super fund will usually deduct the tax from your payments. The amount of tax you pay will depend on these situations:

Have reached preservation age

If you have reached preservation age, your super is usually tax free.

Income protection insurance through super

Payments will be taxed. Your super fund will deduct the tax from your payments.

You are accessing super early

How much tax you pay on superannuation accessed early depends on the reason for the early access.

- for severe financial hardship – paid and taxed as a normal super lump sum, at the lower rate of your marginal tax rate or 22%
- for temporary incapacity – paid and taxed as a super income stream, at your marginal tax rate
- for permanent incapacity – if paid as a super income stream and your permanent incapacity has been certified by at least 2 medical practitioners, tax concessions may be available which reduce the tax rate of your taxable component by 15%; otherwise, if paid as a lump sum, at the lower rate of your marginal tax rate or 22%
- for compassionate grounds – paid and taxed as a normal super lump sum, at the lower rate of your marginal tax rate or 22%
- for a terminal medical condition – tax free, if you have a terminal medical condition at the time of the payment or within 90 days of receiving the payment
- low super balance – tax free.

For more information, visit ato.gov.au and search “withdrawing and using your super” or call the ATO on 13 10 20.

Insurance attached to your super

Many people don’t know they have insurance attached to their super. If you’re working and have super through your employer, you may have default insurance benefits included unless you have chosen to opt out.

To find out whether you have insurance as part of your super, check your statements, super app, or contact your fund directly. If you have more than one super fund, you might have more than one insurance policy and may be able to make multiple claims.

It’s important to know that your insurance will be cancelled if no contributions have been made to your super in 16 months or more.

Contributions can be made by your employer or you can make contributions yourself. For more information, contact your super fund.

Insurance can also be separate from your super (“a standalone policy”), but this fact sheet only relates to insurance in your super. For more information, see our *Insurance and Cancer* fact sheet.

Understanding what insurances are available

Type of insurance	When you can claim	How it works
Income protection (also called salary continuance)	• unable to do your usual job because of cancer or other illness • can’t work or can only work reduced hours due to injury or illness	• pays part of your salary in monthly instalments, usually for a fixed period of time (typically 2 years or 5 years, depending on the policy) • a waiting period usually applies, usually between 30 and 90 days • payments are reduced by any other payments you receive, such as workers’ compensation or sick leave payments.
Total and permanent disability (TPD)	• must meet insurer’s definition of TPD • unable to return to work for which you are reasonably fitted by your education, training or experience	• paid as lump sum into your super fund by the insurer • must have been absent from work continuously for at least 3 months (up to 12 months depending on the policy) to be eligible.
Life insurance	• when the policy holder dies	• paid as lump sum into the policy holder’s super fund by the insurer • check policy for specific requirements.

What happens to super if you die?

When someone dies, their super fund pays their super account balance and any insurance benefits to the person they nominate (their beneficiary). Super paid after a person's death is called a super death benefit.

Whether tax needs to be paid on this will depend on who receives the benefit and if the benefit is paid as a lump sum or as an income stream. Generally, a spouse, de facto partner, a child under 18 and other dependants do not pay tax on the taxable component if the benefit is received as a lump sum.

Other beneficiaries may have to pay tax. Tax may also be payable if the benefit is paid as an income stream.

How to claim a super death benefit

If you believe you're the beneficiary of a super death benefit, contact the super fund immediately. You may need to provide details of your relationship and how you were financially dependent on the person who has died.

See *Tax on super* (page 2) for information on what tax you may have to pay.

Centrelink and super payouts

If you receive Centrelink payments and get a lump-sum payment or income stream from your super, this may affect your Centrelink payments. You must let Centrelink know within 14 days. If you don't tell Centrelink, you may need to pay back some, or all, of the Centrelink payments received during that period.

For more information, visit your local Centrelink office, go to servicesaustralia.gov.au or call the self-service line on 136 276.

Making a death benefit nomination

You can nominate who you would like to receive your super. This person must be your dependant, such as:

- your spouse or de facto spouse,
- your children, and/or
- a person who you have an "interdependency relationship" with (that is, someone you have a close personal relationship with, you live together, one or both provides the other with financial support, and one or both provides the other with domestic support and personal care).

However, your dependant can be someone else who does not fall under any of these categories if the nature of your relationship has features of dependency.

You can nominate your legal personal representative or executor to receive your super in addition to your dependant(s) or instead of your dependant(s). Your legal personal representative or executor will distribute your super according to your will or, if you have no will, by law.

Types of nominations

Your nomination may be non-binding or binding:

Non-binding nomination – This guides the fund, but the fund decides who gets the death benefit.

Binding nomination – The fund must pay the benefit to the people you nominate, as long as the law permits payment to that person (e.g. they are your dependants or your estate). If you nominate a child under 18, the death benefit is paid into a trust. The trustee will be responsible for the money until the child turns 18.

If you don't nominate a death benefit beneficiary, or you nominate someone that is not a dependant, your fund's rules determine how your death benefit is paid. This could be to one or more of your dependants or to your estate (your assets).

A binding nomination can be lapsing or non-lapsing. A non-lapsing binding nomination means that your nomination will not expire, and it does not need to be confirmed or updated in order to remain valid. A lapsing binding nomination will usually need to be updated or confirmed every 3 years, depending on your fund's rules.

Cancer Council offers a range of resources for people affected by cancer, their families and friends. Resources you may find helpful include our booklets *Cancer and Your Finances* and *Cancer Care and Your Rights* and our fact sheet *Insurance and Cancer*. Call 13 11 20 or visit your Cancer Council website to download.

How to appeal or submit a complaint

If you're not happy with the super fund's decision about a super or insurance claim, you have several options.

The best place to start is to try to appeal or resolve the complaint directly with the super fund. If this does not work, you have the following options:

- You can make a complaint in writing to your fund. If you don't get a response within 90 days, or if you're not happy with the response, contact the Australian Financial Complaints Authority (AFCA) on 1800 931 678 or visit afca.org.au and complete the online complaint form.
- You can also seek advice from a lawyer or a financial adviser on what to do next, including taking your case to court. For more information, call Cancer Council on 13 11 20. Cancer Council may be able to refer you to a lawyer or suggest where to seek advice.

Where to get help and information

Call Cancer Council 13 11 20 for more information about superannuation and cancer. Our Financial Support Services can provide further information and guidance and may be able to refer you to a financial advisor or lawyer for advice. You can also visit your local Cancer Council website.

ACT	**actcancer.org**
NSW	**cancercouncil.com.au**
NT	**cancer.org.au/nt**
QLD	**cancerqld.org.au**
SA	**cancersa.org.au**
TAS	**cancer.org.au/tas**
VIC	**cancervic.org.au**
WA	**cancerwa.asn.au**
Australia	**cancer.org.au**

Other useful websites

You can find many useful resources online, but not all websites are reliable. These websites are good sources of support and information.

Australian Taxation Office	13 10 20 **ato.gov.au/super**
Australian Financial Complaints Authority	1800 931 678 **afca.org.au**
Centrelink	13 62 40 **servicesaustralia.gov.au**
MoneySmart (Australian Securities and Investments Commission or ASIC)	**moneysmart.gov.au**

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Note to reader
Always consult your doctor about matters that affect your health, and your financial adviser or financial counsellor about matters concerning your finances, and a lawyer about legal matters. This fact sheet is intended as a general introduction to the topic and should not be seen as a substitute for medical, legal or financial advice. You should obtain independent advice relevant to your specific situation from appropriate professionals. Laws, regulations and entitlements that affect people with cancer may change. While all care is taken to ensure accuracy at the time of publication, Cancer Council Australia and its members exclude all liability for any injury, loss or damage incurred by use of or reliance on the information provided in this fact sheet.

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Cancer Council acknowledges Traditional Custodians of Country throughout Australia and recognises the continuing connection to lands, waters and communities. We pay our respects to Aboriginal and Torres Strait Islander cultures and to Elders past, present and emerging.

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