

What is the process to access payment?

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The process begins with the super member.

The super member must request from the ATO a FHSS Determination. This is a determination made by the ATO of the maximum FHSS release amount (using contribution information available to the ATO up to the date of processing the request).

The determination is issued to the super member.

The determination will specify the following information (again based upon contribution available to the ATO up to the date of processing the request):

An illustration of an FHSS determination is as follows:

FHSS concessional contributions amount \$16,000

FHSS non-concessional contributions amount \$14,000

Associated earnings \$ 9,500

FHSS maximum released amount \$39,500

The super member is under no obligation to act upon the determination. The super member may request the ATO to review the determination, on the basis that certain contribution information has not been taken into account, or there has been a classification or calculation error.

The super member could consider that another FHSS determination should be requested at a later time to permit the associated earnings component to increase in value (or to allow recent contributions - which are yet to be reported to the ATO - to be taken into account).

If the super member acts upon the determination (that is requests a FHSS release authority be issued based upon the determination) then the ATO will issue the relevant release authority. Once a release authority has been issued, the super member will be ineligible to make further requests for another release authority. This is the element of the scheme which constitutes its "once only" nature.

The release authority is then served on one or more super fund trustees who hold superannuation interests for the member. The super member can select which interest is to be subject to release. So, if the super member has both preserved and unpreserved superannuation interests, the member can request the preserved super interests be subject to the release. If the selected super interest is insufficient to satisfy the release authority, the shortfall can be released from another superannuation fund.

Generally, defined benefit superannuation interests cannot be subject to release under a FHSS release authority.

For more information on any aspect covered in this article, please call SUPERCentral on 02 8296 6266 or email info@supercentral.com.au.