

Rest FAQs on Coronavirus

Updated 23 March 2020

The following answers common member and employer questions on current market volatility, super and insurance. Visit go.rest.com.au/coronavirus for our latest updates.

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Is it possible to access my super early?

Q: How can I apply for early access of my super if I can't work due to coronavirus?

A: Your super is money saved for your retirement, so there are rules the government has put in place around when you can access it.

In response to the coronavirus pandemic, the government has expanded the eligibility criteria for the early access of super. This will be available from mid-April, and an exact date is still to be confirmed.

The government will allow eligible individuals who've been financially impacted by the coronavirus to withdraw up to \$10,000 from their super during the 2019-20 financial year, and a further \$10,000 during the 2020-21 financial year.

While we understand you may need these payments, it's important to remember super is a long-term investment for retirement - so withdrawing early may impact your income down the track.

The government has announced a range of support options for individuals during the coronavirus pandemic. Before you apply to withdraw super early, it might be worth reviewing if you're eligible for any [other forms of support](#).

You can also speak to a Rest Adviser if you have more questions. There's information on Rest Advice at the end of this FAQ.

Q: How can I apply for the new early access payments?

A: To withdraw super early using this new 'condition of release', you'll need to apply directly to the Australian Taxation Office (ATO) online at my.gov.au from mid-April. You can't apply for it through Rest. You'll also need to show the ATO that you meet the eligibility criteria.

The ATO will assess your application and then determine if you're eligible for early release. If they accept your application, they'll tell Rest to make the payment.

To ensure any payments can be made as soon as possible, you should check rest.com.au/memberaccess or the Rest App to see if your address is correct and if not, update it online. If we need your bank details visit rest.com.au/contact-us to update it.

Q: Who is eligible for these new early release payments?

A: To be eligible for early release, you must satisfy one or more of the following:

- be unemployed; or
- be eligible to receive a job seeker payment, youth allowance for jobseekers, parenting payment (which includes the single and partnered payments), special benefit or farm household allowance; or
- on or after 1 January 2020:
 - you were made redundant; or
 - your working hours were reduced by 20% or more; or
 - if you're a sole trader — your business was suspended or there was a reduction in your turnover of 20% or more.

People withdrawing super will not need to pay tax on amounts released, and the money withdrawn will not affect Centrelink or Veterans' Affairs payments.

Q: When can I apply for these early release payments.

A: The Government hasn't announced the exact dates to apply from, but advise it should be from mid-April.

The \$10,000 available in the 2019-20 financial year will be available up to and including 30 June 2020.

From 1 July 2020, you can apply for an extra \$10,000 in the 2020-21 financial year. The Government hasn't specified how long you'll be able to apply for this extra \$10,000 but advised it'll be for about three months.

As soon as we have more details on timeframes, we'll update this FAQ.

Q: Are there other ways I can access my super early?

There are a number of existing conditions you can use to withdraw your super early.

For example, you can apply to Rest to access part of your super if you're experiencing financial hardship, so long as you meet other eligibility conditions.

You can also apply to the ATO for an early release of your super on compassionate grounds, such as:

- Medical – to pay for treatment or travel to treatment for you, your partner, child or other dependant
- Mortgage – to stop the bank from selling your home
- Disability – to modify your home or car
- Palliative care – for you or a dependant
- Funeral – to pay for expenses for a dependant.

For more information see our fact sheet at rest.com.au/understanding-super

Q: What are the eligibility requirements for a financial hardship payment from Rest?

A: To be eligible for the early release of super under severe financial hardship, members must meet criteria under **either Case 1 or Case 2**.

Case 1

- You've been receiving Commonwealth income support payments for 26 continuous weeks, and
- you're unable to meet reasonable and immediate family living expenses.

Note: A Maximum amount of \$10,000 can be withdrawn in any 12-month period.

Case 2

- You've reached preservation age, plus 39 weeks, and
- you've been receiving Commonwealth income support payments for a cumulative period of 39 weeks since reaching preservation age, and
- you're not gainfully employed at the date of application (unemployed or employed for less than 10 hours a week).

Note: There are no restrictions on the amount that can be withdrawn.

How much can be withdrawn from a pension?

Q: What is the minimum amount I must withdraw from my account-based pension during the coronavirus pandemic?

A: When you have an account-based pension you are required to withdraw (or draw down) a minimum amount each financial year. The minimum draw-down rate is a percentage of your account balance, and it changes depending on your age.

The Australian Government has reduced the draw-down rates for the rest of the 2019-20 financial year as well as the 2020-21 financial year.

Age	Default minimum draw-down rate (% of account balance)	Reduced minimum draw-down rates for the 2019-20 and 2020-21 financial years (% of account balance)
Younger than 65	4	2
65-74	5	2.5
75-79	6	3
80-84	7	3.5
85-89	9	4.5
90-94	11	5.5
95 or older	14	7

Share markets and your super

Q: What do changes in the investment market mean for my super? Should I switch to cash?

A: We understand the uncertainty at the moment can be concerning. Global investment markets are highly volatile, and there is a rapid stream of unsettling news coming from around the world.

Your super balance may have dropped because of this volatility. It's natural to be concerned. But it's important to remember - super is a long-term investment, typically with a horizon of at least 10 years. It is designed to ride out shorter-term market volatility.

Depending on your age, you could have many more years of work ahead of you. Even if you're in your 50s, you still could have 10 years or more to accumulate super and gain investment returns.

Our default investment option, Core Strategy has returned an average return of 8.5% per year since it started in 1988 (up to 29 Feb 2020). This includes major market downturns like the global financial crisis (GFC) in 2008.

Before you decide on your investment options, consider speaking to a financial adviser. The Rest Advice team can talk you through your options.

Q: What is Rest doing when the markets are so bad?

A: At Rest we place an emphasis on managing your retirement savings in the knowledge that short-term market shocks can occur.

Our default Core Strategy investment option is diversified. It is invested in property, infrastructure, cash, bonds and other assets, not just shares.

In recent years, we took the view that Australian and global share markets were overvalued and vulnerable to a shock event, like this pandemic.

For that reason, we've been reducing the number of shares we held in the Core Strategy for the past few years. We've also increased the amount of money invested in defensive assets like cash.

Our investment experts are meeting regularly to monitor the situation as it develops and will respond as required.

While we still don't know the full impact of the coronavirus, please be assured we've planned for risks like this in our investment strategy.

Q: Can I have more details about how you've been managing investment risks?

A: During the past few years, Rest has been strategically reducing the number of shares we hold in the Core Strategy:

- The Core Strategy currently has a 38% allocation to the overseas and Australian shares asset classes – a lower allocation compared with recent years.^
- We also currently have 12% of the fund in 'cash', a more defensive asset class. Holding cash also means we have funds available to purchase shares or other assets at attractive prices after markets fall, so members can benefit more when markets start rising again.^
- The Core Strategy's other investments include property (like office buildings), infrastructure (like ports and wind farms), and other assets not listed on the share market. These are a mix of growth and defensive assets which balance the investment risk in the fund.^

^ Allocations correct up to 29 Feb 2020.

Q: Why have markets dropped so much recently?

A: Following a long period of continued growth and new record highs, the Australian and global share markets are reacting to international concern around the coronavirus pandemic and falling oil prices.

In recent years we've noticed heightened risks in these global markets. These global risk factors include historically low interest rates combined with high levels of debt. Risky markets are more vulnerable to 'shock' events, like a pandemic, which trigger major market falls or volatility.

The economic impact of the coronavirus remains uncertain. Many analysts have concerns about global and Australian growth slowing because of the coronavirus. Most global share markets have fallen from recent highs and have been highly volatile, and some commodity prices and currencies have also moved significantly.

Q: Is this the start of another GFC?

A: It has been a challenging past few weeks for investment markets around the world. But keep in mind, stock markets are correcting from successive record highs and market fluctuations are a normal component of the investment cycle.

Q: What happens if I move all my super to a different investment portfolio?

A: When you first join Rest Super or Rest Corporate, your super is automatically invested in the Core Strategy - unless you tell us otherwise. Members can also choose from a number of investment options to suit their personal investment horizons and attitude to risk.

The Core Strategy is a diversified fund, with a mix of growth and defensive assets. It has a long-term horizon of at least 10 years. If markets fall in the short-term, then your account balance can reduce during this time.

During a 20-year period, for example, we estimate 3-4 years will have negative returns. If you're invested in the Core Strategy or other options with growth assets, you may have noticed your super balance has fallen recently.

Core Strategy has returned an average return of 8.5% per year since it started in 1988 (up to 29 Feb 2020). This includes major market downturns like the global financial crisis (GFC) in 2008 and the dot-com crash in 2000.

We actively manage how we invest in various assets to respond to risks and opportunities. But past returns cannot provide an assurance of future performance.

If you're concerned about your situation and want to review your investment strategy, you should consider speaking to a financial adviser. The Rest Advice team can talk you through your options.

Insurance and the coronavirus

Q: Does my insurance with Rest cover pandemics?

A: Rest insurance is provided by TAL Life Limited. This insurance does not exclude pandemics.

Rest's income protection covers our members who are too sick or injured to work for an extended period. If you suffer from sickness or injury and can't return to work for an extended period, you may be able to lodge an income protection claim with Rest, once you meet the eligibility criteria.

Q: Does that mean I can make a claim for time off work under my income protection cover?

A: Coronavirus is generally unlikely to be claimable under Rest's income protection cover. Not because we exclude it, but because our default income protection is designed to cover members who are sick and can't work for the initial waiting period of more than 60 days. In most cases the symptoms of coronavirus don't result in people being off work ill for more than 60 days. It's important to check your waiting period, which you can do by calling us, or you can do online from 1 April in the Insurance tab of MemberAccess.

Q: I've been made redundant from my job. Can I claim on my income protection?

A: Income protection covers people who are too sick or injured to work for an extended period. Unfortunately, redundancy is not covered by income protection insurance.

Q: My employer has asked me to work from home. Will my income protection still cover me if I'm working from home?

A: Your income protection will not be affected if you're working from home and then become too sick or injured to work. You'll still need to meet the eligibility criteria if you want to lodge a claim with Rest. Our default income protection cover is designed to cover members who are sick or injured and can't work for more than 60 days.

Q: I've had to take leave without pay. Will I still be covered by income protection?

A: Your income protection will continue on the same terms and conditions if you go on leave without pay that has been approved by your employer, or if you go on parental leave from your employer. However, it may not continue if you're still on leave without pay beyond the earliest of:

- your agreed and scheduled return to work date
- 24 months.

Your cover will continue under the same terms, only if your employer has approved the leave in writing before you go on leave. You may also be asked for proof that your agreed leave, and scheduled return to work date, were approved.

Conditions may apply including insurance cover ending due to 13 months continuous inactivity on your super account, unless you've chosen to keep your cover. You'll also need to make sure there is enough money in your super to pay your insurance costs during your leave.

If your income protection claim is successful, the payment will start at the end of the 60 day waiting period, or the date your leave period was scheduled to end (whichever is later).

Q: Will my claim be paid back to the date I contracted my illness?

A: Your claim will be paid once you have met the waiting period and following an assessment of the claim. It is not backdated to the day you contracted the illness or stopped working.

How will Rest manage as offices close

Q: Will Rest still be 'open for business' as more businesses work from home or limit operations?

A: We've taken steps to ensure our operations and services are maintained for the duration. You can continue to contact us as normal using email, Live Chat, the Rest App, and our Virtual Agent Roger. You can also call our contact centre on 1300 300 778.

However, even with the steps we've taken, it's likely we'll have high numbers of members calling, leading to delays. If you experience delays, we're sorry for any inconvenience this causes. We ask for your patience and understanding – we'll get to your inquiry as quickly as we can.

Q: So many businesses are going to be severely impacted by this. Can you assure me Rest can handle this in the long term?

A: As one of the largest super funds in Australia, like any large financial institution, we have comprehensive plans to manage an event like this. Our processes, back up plans and financial reserves help to ensure we can continue to manage member accounts, make payments as needed, and continue services to our members.

Can I get professional advice

Q: How can I get professional advice?

A: You can visit rest.com.au/advice for information on what a Rest Adviser can offer.

We also provide Online Advice through a number of self-service online tools you can access 24/7. Log into rest.com.au/memberaccess to check them out. For example you can try our 'Investment

choice' tool to check your investment risk profile, to see what investment option may be right for you.

Q: I'm trying to get through to the advice team, but no one is answering?

A: At the moment, our Advice team is experiencing a high number of calls, but will get to your inquiry as soon as they can. We know that isn't convenient, and we're sorry for that. But it's important you know what your options are, so we ask for your patience.

They'll get back to you as soon as possible.

Q: Do Rest charge for professional advice?

A: We offer simple advice about where to invest your super, at no extra cost for Rest members. We won't charge you any extra for simple super questions. If you need more complex advice from a Rest Adviser, or comprehensive face-to-face financial planning, you'll be charged a fee which you may be able to pay out of your super. We'll always talk to you about this fee first.

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