



Government's COVID-19 economic response assists SMSFs and their members

- <https://www.ato.gov.au/Super/Sup/Government-s-COVID-19-economic-response-assists-SMSFs-and-their-members/>
- Last modified: 25 Mar 2020
- QC 61930

Government's COVID-19 economic response assists SMSFs and their members

New legislation to implement the [Government's economic response to coronavirus](#) will provide additional support to SMSFs and their members.

Reducing the minimum drawdown rates

Significant losses in financial markets as a result of the COVID-19 crisis are negatively affecting the account balance of some retirees' superannuation pension or annuity.

To assist retirees, the Government has reduced the minimum annual payment required for account-based pensions and annuities, allocated pensions and annuities and market-linked pensions and annuities. The minimum annual payment you need to make to your members for the 2019-20 and 2020-21 financial years has been reduced by 50 per cent. You can find details at [Minimum annual payments for super income streams](#).

If you have paid the minimum drawdown amount, payments can be stopped for the remainder of the year. If you have paid more than the minimum drawdown amount, your member can re-contribute these amounts if they are eligible to make superannuation contributions, subject to other rules or limits such as contributions caps.

See also:

- [Super contributions – too much can mean extra tax](#)
- [Adding to super if you're not working](#)

Early release of superannuation

If a member of your SMSF is dealing with adverse economic effects of coronavirus, they may be able to access their super on compassionate grounds in certain circumstances.

From mid-April, eligible members can apply for a release of up to \$10,000 of their super before 1 July 2020. They will also be able to access a further \$10,000 from 1 July 2020 until 24 September 2020.

To apply for early release, your member must satisfy any one or more of the following requirements:

- They are unemployed.
- They are 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.
- On or after 1 January 2020, either
 - they were made redundant
 - their working hours were reduced by 20% or more
 - if they are a sole trader, their business was suspended or there was a reduction in their turnover of 20% or more.

If your member is eligible, they can apply through myGov from mid April. We will then issue them with a determination advising of their eligibility to release an amount. When you receive the determination from the member, you will be authorised to make the payment.

Trustee responsibilities for early release of super

As an SMSF trustee, you are responsible for your and your members' retirement savings. Please make sure you are eligible for early release of super before you release any funds from your SMSF.

See also:

- [COVID-19 \(novel coronavirus\) – early release of superannuation](#)
- [The Australian Government's economic response to coronavirus](#)
- treasury.gov.au/coronavirus^{EQ} - more information on the Australian Government's economic response to coronavirus

Keep up to date:

- See all recently-published [SMSF news and alerts](#)
- [Subscribe to SMSF News](#)^{EQ} for a monthly wrap-up of news and updates.

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

Copyright notice

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).