

## Patients Accessing Superannuation Early for Health Care Purposes

Since July 1, 2018 access for the purposes of health care is provided for through the Australian Taxation Office.

The category that typically applies is that of access due to **severe financial hardship**. Patients may be able to withdraw some superannuation if they have received eligible government income support benefits continuously for 26 weeks and are unable to meet reasonable and immediate family living expenses.

A superannuation withdrawal due to severe financial hardship is paid and taxed as a super lump sum. The minimum amount that can be paid out is \$1,000 and the maximum amount is \$10,000.

An applicant patient can only make one withdrawal from their superannuation fund because of severe financial hardship in the 12 month period.

The test for severe financial hardship that you must have been on income support payments for more than 26 weeks. This applies only of course if you are not over your preservation age and have not retired.

### **This is significantly different to the previous arrangements in terms of accessing superannuation.**

The other area of access is on **compassionate grounds for pain for medical treatment** for oneself or for a dependent. The amount of super that can be withdrawn is limited to what one reasonably needs and it is paid in tax as a normal super lump sum.

Compassionate release of superannuation can only be performed if on compassionate grounds:

- the patient meets the eligibility requirements of the compassionate ground they are applying for;
- have not paid for the expense;
- cannot afford to pay the expenses without accessing superannuation, for example by obtaining a loan or using savings and have provided all of the required supporting evidence and invoices and quotes.

To be eligible the medical treatment must not be able to be readily available through the public health system and the applicant patient must have a life-threatening illness or injury, **acute or chronic pain** or acute or mental illness.

Application is a free and easy service and can be done online. The eligibility for compassionate release of superannuation can take up to 14 days.

For evidence there must be digital copies of the required evidence. There must be evidence from a registered medical specialist.

It would seem extremely difficult for a person to obtain release of superannuation in relation to dental treatment in general in terms of the medical treatment circumstances simply because it is clear that there must be a life threatening illness or injury, **acute or chronic pain**.

However if a patient were to ask a dentist to write a report then clearly the dentist can write an initial report but the responsibility for approval would lie with a specialist medical practitioner and it would seem that the specialist would need to address acute or chronic pain.

**What should dentists do if a patient asks about using Superannuation for the purposes of dental treatment ?**

Inform the patient:

- **That the previous process has changed and there is no real pathway for the release of superannuation funds early for dental treatment at all.**
- That they can only seek early release on the basis of severe financial hardship (and that they should call the ATO or HHS with which you cannot assist them)
- They can seek release on compassionate grounds in relation to acute or chronic pain and you are prepared to send their records and a covering letter to their GP in this regard.
- Explain that they need to see a medical specialist on referral from their general medical Practitioner and then they can make an application online and receive a reply within 14 days.