

Family Law and super

Fact sheet

About this fact sheet

This fact sheet outlines how TelstraSuper manages and administers the splitting of superannuation assets as a result of the break-up of a relationship.

Superannuation represents one of the largest assets for many Australian couples, second only to the family home. Like any other asset in a relationship break-up, superannuation can be split.

The information in this factsheet is only applicable to TelstraSuper members and their spouses who want to find out how superannuation can be split under family law superannuation agreements or court orders made after 28 December 2002*.

Requesting information about a superannuation benefit

Before a couple can work out how (or whether) to split a superannuation benefit, they will need to determine how much superannuation is available to be split.

To do this simply complete and return a **Request for Family Law Information** form available at telstrasuper.com.au/forms or by calling us on **1300 033 166**.

TelstraSuper can only provide information about the relevant super benefit held with TelstraSuper. All requests for information are treated in the strictest confidence and will not be divulged to the other party.

What information can you expect to receive?

The information you can expect to receive will vary, depending on the superannuation account type.

The following information can be provided for accumulation accounts:

1. Statement of Member Withdrawal Benefit — giving the total withdrawal benefit, tax and preservation information.
2. Standard Statement of Member Account — additional historical account information. We will generally provide you with this information, unless advised otherwise.
3. Statement of Member Account with Additional Valuation Information — extensive historical information including account balances at certain member statement dates and account withdrawals during prescribed periods. Please first seek independent advice to find out if you require this statement.

The following information can be provided for defined benefit accounts:

1. Statement of Member Withdrawal Benefit — total withdrawal benefit, tax and preservation information.
2. Statement of Gross Value of the Interest — balance calculated under the Family Law Regulations together with additional historical information.
3. Standard Statement of Member Account — all details in Statement of Gross Value of the Interest and detailed historical information. We will generally provide you with this information, unless advised otherwise.

The following information can be provided for TelstraSuper RetireAccess accounts (including the Lifetime Pension):

1. Statement of Member Withdrawal Benefit — details the total withdrawal benefit.
2. Standard Statement of Member Account — total withdrawal benefit and additional historical information. We will generally provide you with this information, unless advised otherwise.

When can I expect to receive the information?

If all of the required information has been provided on the **Request for Family Law Information** form and the form is correctly completed, we will generally provide the information within 28 days of receipt of the request.

There may be a fee in respect of requests for information however, this is payable by the account holder (member) and is not payable by you.

Superannuation agreements

If parties reach an agreement on how to split the superannuation benefit, a copy of the superannuation agreement can be sent to TelstraSuper. This agreement needs to be in a particular format for TelstraSuper to be able to act upon it - please seek legal advice about establishing a superannuation agreement.

Court orders

If parties do not make a superannuation agreement, they may obtain court orders instead. If parties split a benefit by court order, TelstraSuper will only be bound by the order if parties give sufficient notice of the court application/proceeding, so that TelstraSuper has the opportunity to be heard. This applies even if the court order is obtained by agreement of the parties.

With regards to agreements or orders, the most effective method for splitting a benefit is for the parties to agree on the amount to be split.

TelstraSuper will need to be advised of this split amount so that the agreed amount can be deducted from the member's account. This split will take place on or around the date the order or agreement is received by TelstraSuper.

Process for splitting an accumulation account or a retirement income stream benefit

Accumulation accounts and retirement income streams can be split immediately following TelstraSuper receiving the court order or superannuation agreement. TelstraSuper will send a payment notice to the non-member spouse (former spouse) receiving the new benefit, who will have the following choices:

- transfer their portion of the benefit into a TelstraSuper account in their name
- transfer the benefit to another super fund, or
- take the money out as cash (release conditions apply).

The former spouse will have 28 days from receipt of the payment notice to decide what to do with their portion of the benefit. During the 28 days, their portion of the benefit will continue to accrue interest at the same rate as the member's super investment.

If we do not receive a response within the 28 day period we will assume that the former spouse wishes to leave their portion of the benefit with TelstraSuper and will be transferred into TelstraSuper Personal Plus. The former spouse benefit will be invested in the appropriate age-based default investment.

For more information about default investment options refer to the **TelstraSuper Personal Plus Product Disclosure Statement (PDS)** and **Target Market Determination (TMD)**.

Once a former spouse becomes a TelstraSuper member they will have investment choice – that means they can switch their money to an investment option that suits their circumstances.

With TelstraSuper Personal Plus there are no entry or exit fees. You pay low administration fees and competitive investment management fees.

Additional information about splitting RetireAccess Lifetime Pension payments

The member and former spouse can, in certain circumstances, agree to instruct us (or a court can order us) to split the regular payments (and any lump sum payment). The split does not have to be in equal shares. To be eligible to do so, the member and former spouse must be aged 60 and over.

Where a withdrawal value is available, splitting the benefit may result in the termination of the member's Lifetime Pension. We suggest you contact us for more information.

Splitting super for defined benefit arrangements

This process is only applicable to TelstraSuper Division 5 and TelstraSuper Division 2 accounts.

Former spouse

A split from a defined benefit account is characterised as a preserved benefit in the hands of the former spouse. This means that the former spouse will have to satisfy their own condition of release before they can take their entitlement in cash.

After receiving the court order or superannuation agreement, TelstraSuper will contact the former spouse to find out what they want to do with their portion of the benefit. The former spouse will have the following choices:

- transfer their portion of the benefit into a TelstraSuper account in their name
- transfer the benefit to another super fund, or
- take the money out as cash (release conditions apply, see above).

The former spouse will have 90 days from receipt of the payment notice to decide what to do with their portion of the benefit. During the 90 days, their portion of the benefit will continue to accrue interest at Average Weekly Ordinary Time Earnings (AWOTE) + 2.5%.

If we do not receive a response within the 90 day period, we will assume that the former spouse wishes to leave their portion of the benefit with TelstraSuper and the money will be transferred into TelstraSuper Personal Plus. The benefit will be invested in the appropriate age-based default investment. For more information about default investment options refer to the **TelstraSuper Personal Plus PDS** and **TMD**.

Once the former spouse becomes a TelstraSuper member they will have investment choice – that means they can switch their money to an investment option that suits their circumstances.

Defined benefit member

The benefit to be transferred to the former spouse will be deducted from TelstraSuper's defined benefit pool and, if applicable, the member's voluntary accumulation account, which may depend on the court order or superannuation agreement.

The amount deducted from TelstraSuper's defined benefit pool will be recorded as a debt against the member's total defined benefit and will accrue interest (at a rate of AWOTE + 2.5%) until the account is closed. Once the account is closed, the original amount, plus accrued interest, will be deducted from the total defined benefit and re-paid to TelstraSuper's defined benefit pool.

How long does it take to finalise a split?

This depends on how long it takes all claimants to return their documents, the process and assessment time and if anyone objects to the way the Trustee proposes to pay the benefit.

We're here to help

If you have any queries or need any further assistance please call us 📞 **1300 033 166**



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Visit the website **telstrasuper.com.au**

* Law changes since 28 September 2022 mean that all married and de facto couples (including same sex couples) in Australia are treated equally under the law in respect of their ability to divide their property, including their superannuation, following separation. This information is general advice only and does not take into account your individual objectives, financial situation or needs. Before acting on any advice you should assess whether it is appropriate for you and consider talking to a financial adviser. Before making any decision about acquiring any product, you should obtain and review its product disclosure statement and target market determination, available at www.telstrasuper.com.au or by calling 1300 033 166. © Telstra Super Pty Ltd, ABN 86 007 422 522, AFSL 236709 is the Trustee of the Telstra Superannuation Scheme (TelstraSuper). ABN 85 502 108 833.