

Superannuation for temporary residents in Australia

This fact sheet answers some of the frequently asked questions about the general provisions that apply in most cases to temporary residents in relation to their super.

As a temporary resident, is my employer required to make super contributions for me?

If you are paid more than \$450 (before tax) in a calendar month for work performed in Australia, then, yes, your employer is generally required to pay 9 per cent of your earnings as super contributions. The same rules apply for those on labour contracts.

There are some exceptions to the above and these may apply if you are:

- a foreign executive holding a specific class of visa or entry permit, or
- if you've transferred to Australia for work from a country with whom Australia has signed a bilateral social security agreement. (Generally these exist when you are still required to make super contributions under the laws of your home country for the work you are doing in Australia.)

Key points for temporary residents:

- Employers are generally required by law to pay super contributions of 9 per cent of salary or wages.
- Temporary residents are generally only able to claim their super benefit as a Departing Australia Superannuation Payment (DASP) when they leave Australia permanently.
- The ATO will hold the benefits for departed temporary residents who do not claim them.

Additionally, for the income year from 1 July 2011 to 30 June 2012 employers are not required to make contributions on earnings above \$43,820 in a quarter during the year (equivalent to \$175,280 p.a). These rates are indexed each year by the Australian Tax Office (ATO).

When can I claim my super benefit?

The normal rules governing access to super benefits do not apply to temporary residents. Anyone who entered Australia on a temporary resident visa is generally only entitled to claim their super as a Departing Australia Superannuation Payment (DASP) when they leave Australia permanently, and their visa has been cancelled or expired.

For temporary residents, the only exceptions are:

- for those who subsequently have become a permanent resident of Australia or an Australian or New Zealand citizen, or;
- in the case of death, a terminal medical condition, or temporary or permanent incapacity.

What happens if I don't claim my super benefit?

If you do not claim your super within six months of leaving Australia, or within six months of the cancellation or expiry of your visa if later, the ATO will instruct your super fund to transfer your balance to the ATO. The ATO will not credit such balances with any interest, and any insurance you have through your super fund will stop.

What tax will I be required to pay?

The normal rules governing the taxation of super benefits do not apply to temporary residents. In total, taxes are payable at a rate of 50 per cent on the taxable component (taxed element). This amount is made up of the 15 per cent tax you will pay on all employer contributions, as well as the 35 per cent payable on the taxable component (taxed element) when you claim your super benefits as a DASP. That is:

- employer contributions, and any salary sacrifice contributions that you elect to make, will generally be taxed at 15 per cent. (Where these contributions exceed the government's contribution limits, additional tax is payable. Refer to the *Sunsuper Solutions Product Disclosure Statement* and *Sunsuper Solutions guide* for more information), **plus**
- when you claim your benefit, tax will generally be paid on the taxable component (taxed element) at the rate of 35 per cent.

Here's an example: if an employer paid \$1,000 as a super contribution on behalf of a temporary resident, the following tax would be paid:

- contributions tax of 15 per cent of \$1000 = \$150. This leaves \$850 to be invested in the super fund, **plus**
- when the balance is claimed, 35 per cent of \$850 = \$297.50

In total \$447.50 tax would be paid from the \$1000 contribution.

How do I claim my benefit?

Using the ATO's online facility is the easiest way to claim your benefit and there is no fee payable to have your immigration status verified.

Step 1 -The link to the ATO's online application is available on our website at sunsuper.com.au. Go to forms under *Publications and forms* and you will find a section entitled *Getting your super for temporary residents*, then just complete the online application.

Step 2 - Complete and return the *DASP additional information* form also available on our website along with a **certified** copy of your identification documents. Refer to the form for full details about certifying your documents.

Once we receive your completed documents and the ATO confirms you are eligible to access your super, we will pay your benefit, less any withholding tax.

What if I don't claim my benefit online?

If you do not wish to use the ATO online facility, you will need to download and complete the ATO's *Applying for a Departing Australia superannuation payment* form available through a link on our website at sunsuper.com.au. Alternatively call us on **13 1184**, or if overseas **+61 7 3121 0700** between 8.00am and 6.30pm AEST, Monday to Friday.

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If you do not claim your benefit online and if your **benefit is less than \$5,000**, you will need to provide **certified** copies of both:

- your passport showing your photograph and identification pages together with the departure from Australia stamp, and;
- your cancelled or expired Australian temporary visa.

You will need to send the certified copies of the relevant documentation, along with your completed *Applying for a Departing Australia superannuation payment* form to us at:

Sunsuper
GPO Box 2924
Brisbane, QLD, 4001.

If **your benefit is \$5,000 or more**, or you are not able to supply evidence of your visa and passport, you will need to provide a statement from the Department of Immigration and Citizenship (DIAC) confirming your immigration status. The DIAC form is available from their website at www.immi.gov.au/allforms/pdf/1194.pdf and a fee is payable when you lodge your application. You will then need to send the certified copies of your proof of identity documentation along with your completed *Applying for a Departing Australia superannuation payment* form, *Form 1194 Certification of Immigration Status*, and the DIAC application fee to:

Department of Immigration and Citizenship
GPO Box 1496
Hobart, TAS, 7001.

If you are eligible, DIAC will confirm your eligibility for payment and forward your completed application to us.

For more information, visit the ATO's website at www.ato.gov.au/super or <http://ato.gov.au/individuals/content.asp?doc=/content/32703.htm>, or call the ATO super line on **13 10 20** (within Australia) or email **DASPmail@ato.gov.au** (outside Australia).