



Understanding retrenchment and your next steps

October 2022



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Life takes some unexpected turns, and losing your job can be one of them.

At times like this, there's a lot to think about and a lot to do – from making sure you can make ends meet to considering your next steps.

And at the centre of it all is what matters most – you and your loved ones.

You'll find practical information here to help you manage your life and finances at this time, including things you can do to support your health and wellbeing.

Reach out for the help you need

There are a few things you can do right now to get help and support.

Centrelink can tell you about government allowances available to you

Applying sooner rather than later for government allowances means you don't wait longer than you need to.

Centrelink can tell you exactly what you're entitled to, and in the meantime, here's an overview of the main benefits:

You may be eligible for	What it is
Newstart Allowance	Provides financial help while you're looking for work or taking part in activities that may increase your chances of finding a job.
A Health Care Card	Gives you access to cheaper health care services and less expensive medicines. You get one automatically if you qualify for government allowances such as Newstart.
Age Pension	Government payments if you've reached your Centrelink Age Pension age and meet other conditions.
Parenting payment	Provides help to parents or guardians who are raising children and is paid to the main carer or child.
Youth allowance	Provides financial help for young people. You may be eligible if you're studying full-time, undertaking a full-time Australian Apprenticeship, training, looking for work or are sick.

Waiting periods for Centrelink benefits

You may need to wait before payments start. There are different waiting periods depending on how much money you have and the reason you no longer have a job. Below you'll find information on three types of waiting periods. More information on other waiting periods that may apply is available at servicesaustralia.gov.au

Ordinary waiting period

You may have to wait for one week for your payments to start, called the ordinary waiting period.

Liquid assets waiting period

This waiting period applies if you and your partner have enough money to live on for a while held in, for example, bank accounts, financial investments and term deposits. Depending on how much money you have, the waiting period can be from 1 to 13 weeks.

Income maintenance period

This waiting period applies if you left or lost your job and your employer paid you for sick leave, annual leave, termination of employment or a redundancy payment. You may not receive any income support payment for this period or you may receive a reduced rate.

More information on waiting periods is available at servicesaustralia.gov.au

If you're experiencing severe financial hardship, you can apply to Centrelink to have waiting periods waived. This would mean receiving your Centrelink benefit earlier.

Next steps

- Call Centrelink on **13 28 50** for more on your eligibility for allowances and entitlements or visit your nearest Centrelink office
- Think about registering with Centrelink as a job seeker
- If you're over 65, specialised help is available on **13 23 00**



Creating a budget

If you find the whole idea of budgeting challenging, you're not alone – most people do. It may help to keep in mind that once you've decided where your money needs to go and what to cut back on, you'll have a much better idea of where you stand for greater peace of mind.

Start with tracking how you've been spending your money

This may help you decide how much you need to live on and where you could cut back.

You could look at grouping your expenses as:

- living expenses
- mortgage payments or other loan repayments, and
- savings.

Plan your spending

1. Divide your overall expenses into:
 - the essentials (like groceries, rent, mortgage repayments and power bills)
 - the extras – wants rather than needs (like eating out and entertainment).
2. Compare your payout and your normal take home pay (after tax). Ask yourself how long your payout covers you for.
3. Look at whether you need to cut down on your expenditure and what you could cut back on.

Here's a tip

Download a budget planner and make it your own by putting your own details of expenses and income into it. You'll find budget planners at moneysmart.gov.au

Did you know you can use your super in an emergency?

Although super is money that's generally only available when you have reached your preservation age and met certain conditions, you may be able to start using it earlier in an emergency. Emergencies include compassionate grounds or where you are facing extreme financial hardship. Go to page 11 for more on this.

Have you reached your preservation age?

If you've reached your 'preservation age', or you're 65 or over, you may decide to start using your super to live on, either as a pension or as a lump sum. If you've reached your preservation age, but you weren't 60 at the time of the retrenchment, access to your super will usually depend on whether you've retired. If you'd like to check your preservation age, see the table below.

You could even work part-time and use some of your super to top up your income. You'll find more information on this on page 16.

What is your preservation age?

If you were born...	You can access your super at...
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
From 1 July 1964	60



Get the right financial advice

We have a mix of advice options to help you manage your finances and help you shape your life the way you want it to be.

Rest assured the professionals you will deal with through AustralianSuper are guided by a set of principles which put your best interests first.

In keeping with this, we never pay advisers incentives, bonuses or commissions. Here's how we can help:

Online

Contact us through Live Chat at australiansuper.com or via our app, for general information about your super. Or to check out our series of online calculators to help you plan for a better future, visit australiansuper.com/calculators

Or if you're simply after some more information on our advice options, visit australiansuper.com/advice

Simple*

Call us on **1300 300 273** and ask to speak with a member of the advice team for simple, personal advice, such as:

- making an investment choice
- adding extra to your super
- transition to retirement and account-based pension options
- sorting your insurance.

Comprehensive*

Meeting face-to-face with an adviser can help when you want a detailed financial plan and have a number of financial matters to think about. And where available, you have the option to meet with an adviser using a secure video link from the comfort of your own home.

Arrange an appointment at australiansuper.com/find-an-adviser

Webinars

Our free online webinars are an easy way to learn about managing your super or planning for retirement. You can access our webinars from the comfort of your own home.

Register at australiansuper.com/webinars

Need help with debt?

It's best to seek help as early as possible if you feel you may have trouble with rent, mortgage or other loan repayments.

Most banks, financial institutions and utilities companies will appreciate you getting in touch early and they'll generally work with you on a solution. You may be able to extend the period of loans or pay interest-only until things improve.

Call the National Debt Helpline on **1800 007 007** (9.30am to 4.30pm, Monday to Friday). This free hotline connects you with a local phone service in your state.

Visit the National Debt Helpline website at ndh.org.au for more information and resources. There's also plenty of practical advice on managing debt at moneysmart.gov.au

Financial counselling may help

The Australian Securities and Investments Commission (ASIC) website can help you find a financial counsellor in your state. Visit the ASIC website at moneysmart.gov.au/managing-debt/financial-counselling

Other support

If you can't afford the basics like food and clothing, a number of social services may be able to help.

Get in touch with:

- The Salvation Army by visiting salvationarmy.org.au or call **13 SALVOS (13 72 58)**
- Anglicare have links to various organisations around Australia (like the Brotherhood of St Laurence in Victoria), their contact details and the services they offer. Visit anglicare.asn.au

* Personal financial product advice is provided under the Australian Financial Services Licence held by a third party and not by AustralianSuper Pty Ltd. Some personal advice may attract a fee, which would be outlined before any work is completed and is subject to your agreement. With your approval, the fee for advice relating to your AustralianSuper account(s) may be deducted from your AustralianSuper account subject to eligibility criteria.

Understanding your retrenchment payout

Information on what's in your payout and how it's taxed.

What is a genuine redundancy payment?

A genuine redundancy payment is made when the job you are doing no longer exists and can be paid up to a maximum dollar amount based on years of service. You must be less than your Centrelink Age pension age at the time of dismissal for a redundancy payment to qualify as a genuine redundancy payment. See the section on *Tax-free limits for the financial year ending 30 June 2023* on the next page for more detail on this.

A genuine redundancy payment may include:

- payment in lieu of notice
- severance payment of a number of weeks' pay for each year of service
- a gratuity or 'golden handshake'.

The following payments are not included in a genuine redundancy payment:

- salary, wages or allowances owing to you for work done or leave already taken for work completed
- lump sum payments of unused annual leave or leave loading paid on termination of employment
- lump sum payments of unused long service leave paid on termination of employment under a formal arrangement
- payments made in lieu of superannuation.

Check you're getting everything you're owed

Talk to your employer or to the Human Resources department.

Are you feeling unsure or think you are not getting everything you're owed?

Visit dewr.gov.au for more information.

Super isn't included in your payout. Employers will generally send any super you're owed to your super fund.

Your entitlements

Your payout is probably going to be more than your normal pay so it may seem like a lot of money. Before you make any decisions about how you're going to spend it, keep in mind that it may take a while for Centrelink benefits to come through, or to find a new job.

Your payout may include:

- a retrenchment payment
- annual leave you're owed
- long service leave you may have built up
- an amount based on any unused sick leave you have.

You'll receive an Employment Separation Certificate from your employer that tells you exactly what's in your payout.

A closer look at your retrenchment payment

Your retrenchment payment is extra money you get from your employer because you've been retrenched. It may include two parts:

- a genuine redundancy payment, which is tax free up to a certain limit, and
- an Employment Termination Payment (ETP) which may be taxed.



Tax on your genuine redundancy payment

Any payments that meet the conditions of a genuine redundancy are tax free up to a limit based on your years of service with your employer. The tax-free limit is a flat dollar amount plus an amount for each year of completed service in your period of employment with your employer. Indexation changes the tax-free limit on 1 July each year.

Tax-free limits for the financial year ending 30 June 2023

The limits are \$11,591 plus an additional \$5,797 for each year of completed service with the employer making the payment.

Tax on your employment termination payment (ETP)

Your ETP may contain:

- a tax-free component if you have any service prior to 1 July 1983 or you are retrenched because of invalidity, and
- a taxable component which is your total ETP less the tax-free component.

See the table below for how the taxable part of an ETP is taxed. The ETP cap amount is \$230,000 for the year ending 30 June 2023.

Age*	Tax treatment†	
Preservation age or over	Up to the ETP cap amount	17%
Under preservation age	Up to the ETP cap amount	32%
All ages	Amount above the ETP cap amount	47%

If your ETP doesn't meet the rules on genuine redundancy, a different limit, known as the whole-of-income cap, may also apply to the taxable amount of your ETP. The whole-of-income cap is \$180,000 but it is reduced by the amount of other income, like salary and wages, that you receive during the year.

ETP amounts paid in excess of these caps are taxed at the highest marginal rate.

Tax on unused annual leave and long service leave if you're retrenched

Type of leave	Tax treatment
Long service leave accrued before 16 August 1978	5% of total is taxed at marginal tax rate
Long service leave accrued on or after 16 August 1978	Taxed at maximum rate of 32%†
Annual leave and Annual leave loading	Taxed at maximum rate of 32%†

Need more information on tax?

Visit the ATO's website at ato.gov.au

Has your employer gone bankrupt or is in liquidation?

If your employer has gone bankrupt or is in liquidation, you're still entitled to a payout, so it's worth checking you're getting everything you're owed.

If not, and the bankruptcy or liquidation took place less than 12 months ago, you may be able to get financial help from the Australian Government through the Fair Entitlements Guarantee (FEG).

You may be able to receive:

- up to 13 weeks' unpaid wages
- all unpaid annual and long-service leave
- up to 5 weeks' wages in lieu of notice
- up to 4 weeks' wages in retrenchment entitlements for each year of service.

Need more information on bankruptcy and liquidation?

Visit the Fair Work Ombudsman website at fairwork.gov.au

* Age on the last day of the financial year when the payment was made.

† Includes 2% Medicare Levy.

Making the most of your super

Whether you plan to find another job, set up your own business, or retire from the workforce, your super can form part of your plans.

Combine your super to make the most of your money

Placing your super into one account means you don't pay fees to multiple super funds. It also makes it easier for you to keep track of how much you have in super.

Before you combine your super, check if any fees or charges may apply and the impact on benefits you may have such as what happens to any insurance cover you have.

Take the next step

Combine your super in one easy step. Visit australiansuper.com/combine

Keeping your insurance cover on track

Your AustralianSuper membership provides different types of insurance including Death, Total & Permanent Disablement (TPD) and/or Income Protection.

Any cover you have with AustralianSuper will continue for 16 months, even if you're not receiving money into your super account.

After 16 months, unless you've received a contribution (excludes investment returns, investment credits and refunds), your cover will stop – but we'll write to you before this happens. The letter will explain the actions you can take to keep your cover if you want to.

Is your cover right for you?

Now is a good time to review your insurance and, if you think it's necessary, adjust it to suit your needs. If you're not sure what cover you have, log into your account and go to My insurance or call us on **1300 300 273**.

Three ways to keep your insurance cover on track



Review your level of cover

A different level of cover could help with your costs.

You can weigh up the differences using our online insurance calculator at australiansuper.com/InsuranceCalculator



Changing jobs? Review your individual work rating

Your individual work rating classifies the usual activities of your job into one of three ratings: Blue Collar, White Collar or Professional. Your work rating is one of the factors that determines how much you pay for your cover.

Insurance cover with a Blue Collar work rating is the most expensive.

However, you could pay less for your cover if you're eligible for a White Collar or Professional work rating and your application to change your rating is accepted.

Check if you're eligible to apply for a different work rating by answering a few questions. Go to australiansuper.com/WorkRatingTool

To apply to change your work rating, log into your account and go to My insurance or use the Change your work rating form at australiansuper.com/InsuranceForms



Check if you have other Death, TPD and/or Income Protection policies outside of AustralianSuper

Have they been affected by your loss (or change) of employment?

Using your super in an emergency

Earlier in this guide we talked about being able to use some of your super in an emergency, even if you haven't met the usual requirements for accessing your super.

Situations where you may be able to use some or all of your super include:

- if you have less than \$200 in your account when you leave an employer
- you need emergency access because of severe financial hardship or on compassionate grounds.

What does 'compassionate grounds' mean and do you qualify?

The Australian Taxation Office (ATO) decides on whether you qualify for compassionate grounds.

Compassionate grounds apply if you need to cover costs for you or your dependants for:

- medical expenses (including medical transportation)
- home loan repayments to avoid foreclosure on your mortgage
- modifications to your house or car to accommodate severe disability, and
- palliative care or funeral expenses.

To find out more visit

australiansuper.com/WithdrawEarly
or call **1300 300 273**.

What does severe financial hardship mean and do you qualify?

Regardless of your age, you can apply for one payment of up to \$10,000 (gross) in a 12-month period if:

- you've received eligible Commonwealth income support payments at the time of the claim and have been on these payments for a continuous period of at least 26 weeks
- you're receiving these payments when you make your application for payment under financial hardship, and
- you're unable to meet reasonable and immediate family living expenses.

If you've reached your preservation age you can apply to withdraw as much of your super as you wish if:

- you've received Commonwealth income support payments for a cumulative period of at least 39 weeks since reaching your preservation age, and
- you're unemployed or employed for less than ten hours a week when you make your application for payment under financial hardship.

For more on accessing your super under compassionate grounds, call ATO on **13 10 20** or visit **ato.gov.au**

Here's a tip

To apply to AustralianSuper for a payment based on severe financial hardship, log into your online account at **australiansuper.com/login** and complete an Application for payment of benefit – financial hardship form.



If you're going to keep working

Help with finding a new job, setting up your own business or getting some training.

Consider your next steps

Now may be a good time to consider the next steps in your working life or career. Maybe you want to start looking for a job immediately? Or, this may be a chance to consider retraining for a new career or upgrading your skills so you can get back into work with improved prospects. Whatever you decide, here are a few tips to help get started.

Finding a new job

Help finding work through Centrelink

Every Australian worker who's retrenched is eligible for help finding work from the government. Workforce Australia, the Government's new system of employment support, aims to help job seekers search and find suitable prospective jobs and puts you in touch with various service providers for additional assistance. This includes coaching and support to improve your job application, know how about starting your own business and training options to help upgrade your skills or learn new ones.

Take the next step

For more information about Workforce Australia services visit workforceaustralia.gov.au

Having trouble finding an interview outfit?

If you're a woman, and you're having trouble finding the right interview outfit, Fitted for Work may be able to help. Fitted for Work's vision is financial independence for women and they achieve this by helping women who are experiencing disadvantage get work and keep it. They can help with interview preparation, mentoring, personal outfitting, and work experience. Fitted for Work has boutiques in Melbourne and Parramatta.

For more information visit fittedforwork.org



Starting your own business?

If you're thinking of setting up your own small business, you may be eligible for the Australian Government's Self-Employment Assistance program. It provides support to people interested in starting their own business or who need help to refocus an existing small business. Services on offer include advice, coaching and training. Eligibility conditions apply.

To learn more visit business.gov.au

Heading back to work

Starting a new job can be an exciting time. It can also be busy and a bit stressful. To get your super and tax sorted, fill out a TFN form so you pay the right amount of tax. Make sure you don't forget to include if you're paying off a higher education debt, because this may influence your rate of tax.

Make a super choice

Most Australians can choose where they want their super paid. Consider staying with AustralianSuper at your new job to avoid paying duplicate fees or having your super paid into a fund that's not profit-to-member.

If you don't choose your own super fund, your employer will check with the ATO whether you have a 'stapled' super fund and pay your super into that. If you don't have a stapled super fund, they will pay your super into the super fund they've chosen as the businesses default fund.

Getting active about super gives you control over your future. Visit australiansuper.com/compare to compare super funds and help make a choice that's right for you.

What is super stapling?

Introduced as part of the recent *Your Future, Your Super (YFYS)* federal government measures, super 'stapling' aims to reduce the number of super accounts you may acquire throughout your working life.

The measure will take effect when you change jobs. You'll automatically be 'stapled' to your existing super fund (if you have one) and you'll take this account with you, from job to job, unless you actively choose a different fund.

The federal government's recently introduced MySuper comparison tool aims to help you compare MySuper products ranked by fees and net returns.

For more information on 'stapling' and other YFYS measures, visit treasury.gov.au or ato.gov.au

Here's a tip - to tell your new employer to pay your super to AustralianSuper

Simply complete a Standard Choice form or a Pay my super into AustralianSuper form and give it to your new employer. You can download the forms at australiansuper.com/forms

Tip: You'll need your member details which are available in your online account at australiansuper.com/login or on your member statement.

Find out more at australiansuper.com/ChangingJobs

Getting back on your feet

Your savings plan

Starting a new job may be a good time to start saving on a regular basis, especially if you're earning a little more.

Perhaps consider splitting your pay, putting some into an 'everyday' account – for your day-to-day living expenses – and some into a 'savings' account.

Boosting your super*

A new job may also be a good time to set up a regular super savings plan. If you find you can afford to invest extra money in your super now, you'll have a better chance of financial security when you retire.

Even a small amount over time could mean a lot more for you to spend when you finish working. The sooner you start, the less you'll need to contribute to make a real impact.

Before you add to your super, we'd encourage you to think about how much debt you have and whether paying extra to your super is right for you.

Find out more by visiting australiansuper.com/grow-your-super

Is transition to retirement for you?

If you've reached your preservation age, using a transition to retirement (TTR) strategy means you can access some of your super to give you a regular income while you're still working, allowing you to work fewer hours or save more super.

TTR means you could:

- ease into retirement, take time out to care for others or yourself, or extend your career by working less
- use your super to top up your take-home pay†
- continue to grow your super as you keep working.

You only need \$25k in super to open an account, and you can change your mind at any time. A TTR strategy can be complex and isn't suited to everyone. It's a good idea to get advice to see if a TTR Income account is right for you.

Find out more at australiansuper.com/TransitionToRetirement

Why AustralianSuper



Performance

A history of top, long-term investment performance‡.



Run for you

As an industry super fund we don't pay dividends or profits to shareholders.



Insurance

Insurance cover for peace of mind.

* Before adding to your super, consider your financial circumstances, contribution caps, and tax issues. We recommend you consider seeking financial advice.

† Income payments from super may be subject to personal income tax if you're under 60.

‡ AustralianSuper Balanced investment option compared to the SuperRatings Fund Crediting Rate Survey-SR50 Balanced (60-76) Index to 30 June 2022. Returns from equivalent investment options of the ARF and STA super funds are used for periods before 1 July 2006. Investment returns aren't guaranteed. Past performance isn't a reliable indicator of future returns.



If you're going to give up work and retire

If you've decided now may be a good time to retire, it's also a good time to do some planning before you make your next move.

Here are a few things to consider

How much money will you need in retirement?

Think about how long you might need your retirement savings to last. With current life expectancies, and depending on when you retire, your retirement income may need to last 20 years or longer.

How much super will you need?

Whatever your retirement plans, you'll need money put away to meet your daily expenses, as well as any unexpected costs. How much you actually need will also depend on any outstanding debts you might have.

What about the Government Age Pension? Are you eligible?

The Government Age Pension is a regular fortnightly income from the Australian Government that helps eligible older Australians pay for basic living expenses.

You need to meet eligibility requirements to receive the Age Pension. This includes your residential status and whether you have reached the qualifying pension age. How much you receive depends on your income and assets.

Your qualifying age for the Age Pension depends on when you were born (see table below).

If you were born...	Your qualifying pension age is
Before 1 July 1952	65 years
1 July 1952 to 31 December 1953	65.5 years
1 January 1954 to 30 June 1955	66 years
1 July 1955 to 31 December 1956	66 years and 6 months
From 1 January 1957	67 years

For more information on eligibility visit servicessaustralia.gov.au

Age Pension income and assets tests

The Age Pension has income and asset limits which affect the amount of Age Pension you receive.

The value of the assets you own determines if you can get the Age Pension and how much you can get.

The thresholds in the table below are valid as at 1 July 2022 and are indexed on a regular basis. To view the most up to date thresholds, visit humanservices.gov.au/AgePension

Age Pension assets test – 1 July 2022

If you're	Full Age Pension if your assets are below		No Age Pension if your assets exceed	
	Home owner	Non-home owner	Home owner	Non-home owner
Single	\$280,000	\$504,500	\$609,250	\$833,750
Couple, combined	\$419,000	\$643,500	\$915,500	\$1,140,000

Source: humanservices.gov.au July 2022.

Age Pension income test – 1 July 2022

The income test involves assessing your income from all sources including financial assets such as super. Here are the income rules for most pensioners.

Single person:

If your income per fortnight is	Your Age Pension will reduce by
Up to \$190	\$0
Over \$190	50 cents for each dollar over \$190

Couple living together or apart due to ill health:

If your combined income per fortnight is	Your combined Age Pension will reduce by
Up to \$336	\$0
Over \$336	50 cents for each dollar over \$336

For more detail on the Age Pension, assets and income tests, visit servicessaustralia.gov.au

Your super could form part of your retirement income

When you've reached your preservation age and have either permanently retired or stopped working for an employer after turning 60, you can access some or all of your super as:

- a regular income by opening a Choice Income account
- a one-off lump sum
- a combination of the above.

And don't forget – before making any big decisions about accessing your super, it's always a good idea to seek help or advice.

For more on retiring with an AustralianSuper account based pension visit australiansuper.com/retirement

Consider getting some professional financial advice

AustralianSuper members have access to a range of financial advice and support options. Here's how we can help:

Online

Contact us through Live Chat at australiansuper.com or via our app for general information about your super. Or to check out our series of online calculators to help you plan for a better future, visit australiansuper.com/calculators

Or if you're simply after some more information on our advice options, visit australiansuper.com/advice

Comprehensive*

For broader advice, meeting face-to-face with a professional adviser can help when you want a detailed financial plan and have a number of financial matters to think about. And where available, you may have the option to meet with an adviser using a secure video link from the comfort of your own home.

Arrange an appointment at australiansuper.com/find-an-adviser

Simple*

Call us on **1300 300 273** and ask to speak with a member of the advice team for simple, personal advice, such as:

- making an investment choice
- adding extra to your super
- transition to retirement and account based pension options
- sorting your insurance.

Webinars

Our free online webinars are an easy way to learn about managing your super or planning for retirement. You can access our webinars from the comfort of your own home.

Register at australiansuper.com/webinars

Other financial guidance

Centrelink's Financial Information Service Seminars

These seminars cover a range of financial issues including the options you have following retrenchment. For more information visit servicesaustralia.gov.au

MoneySmart website

The Australian Securities and Investments Commission (ASIC) MoneySmart website provides information about setting and achieving financial goals. You can also download or order useful publications from the website at moneysmart.gov.au or contact ASIC on **1300 300 630**.

Financial Counselling Australia

Provides free financial counselling services plus help negotiating with banks, finance companies and debt collectors. For more information or to access the service call **1800 007 007** or visit financialcounsellingaustralia.org.au

* Personal financial product advice is provided under the Australian Financial Services Licence held by a third party and not by AustralianSuper Pty Ltd. Some personal advice may attract a fee, which would be outlined before any work is completed and is subject to your agreement. With your approval, the fee for advice relating to your AustralianSuper account may be deducted from your AustralianSuper account subject to eligibility criteria.

Managing change and looking after yourself

There's plenty of support out there to help you with any challenges you come across. Here are a few tips for looking after your wellbeing.

Keep in touch

This can be a stressful time for you and your loved ones. That's why it's important to keep in touch with your family and friends. Catching up with them can help you feel better and, if you're looking for work, your social network could help you find it.

Ask for help

The support of your family and friends or simply having a bit of time to get used to the new situation may be all you need. But if you remain angry, frustrated, pessimistic, anxious or depressed, you may find it helpful to talk to someone.

Beyondblue

Beyondblue can give you practical suggestions to help you maintain a positive outlook and find the support you need.

They've also put together a very helpful booklet called *Taking care of yourself after retrenchment or financial loss*. As well as providing tips and advice to support you through a difficult period, the booklet outlines the range of emotional reactions that people commonly feel after being retrenched.

Next steps

Visit beyondblue.org.au or call 1300 224 636.

Try not to take it personally

It's important to remember retrenchments happen when an employer's business circumstances change, not because of you. Many industries have felt the impact of global downturns, often placing businesses under pressure to cut costs.

Maintaining a focus on the positive

You've received a payout that will help your finances at least temporarily. If you can, try to get as much value out of it as you can. Schedule in some relaxation time, and while you're at it, have a think about your next steps.

Take the time to pause and look after yourself

We know there's a lot to do at this time; whether it's managing your finances, looking for a new job, or checking you're getting everything you're entitled to. It's all challenging, and it's all important, which can make it hard to prioritise.

Taking the time to pause and check in on yourself is really important right now to help protect your health and wellbeing so you can manage things effectively.

Once you've done your budgeting, investigated and possibly applied for government support, you'll probably be considering your next move.

Your choices from here have a lot to do with your age and circumstances, so we've divided this part of the guide into two sections to keep it relevant.

Is now the right time to get financial advice?

Getting the right financial advice now could help shape your life the way you want it to be.

Once you've applied for benefits, done your budgeting and managed any loans or debts, AustralianSuper offers you a choice of advice options, from general advice over the phone to more complex advice, face-to-face.*

To find out more about your financial advice options, visit australiansuper.com/advice

* Personal financial product advice is provided under the Australian Financial Services Licence held by a third party and not by AustralianSuper Pty Ltd. Some personal advice may attract a fee, which would be outlined before any work is completed and is subject to your agreement. With your approval, the fee for advice relating to your AustralianSuper account may be deducted from your AustralianSuper account subject to eligibility criteria.



Which situation is like yours?

In this section, you'll find snapshots of three typical situations retrenchment may leave you in and how they can be handled.

The details may not fit your situation exactly, but following someone else's story may help make your options clearer and help you see the bigger picture.

Alex is worried about making ends meet

Even before she was retrenched, it took Alex and her partner's total salary to cover the mortgage and their family's living expenses.

The couple have quite a lot of debt including some computer equipment they bought almost a year ago on an interest-free, payment-deferred deal. Now the interest-free period is almost up and they face a huge interest bill if they can't pay the full amount in time.

What Alex and her partner do – 1st week

Checks her retrenchment payment

Alex has to take her whole package in cash, which is:

- a retrenchment payment of four weeks' pay (one week for each year she's been in the job, plus a base payment of one week)
- payment for four weeks of unused leave.

Contacts Centrelink immediately

- When she speaks with Centrelink, she finds out there will be an eight week wait before income support comes through as that's how long Alex's payout covers.
- Alex registers for jobactive.
- She gets in touch with her local Workforce Australia provider straight away.

What Alex and her partner do – 1st month

Works out new domestic arrangements with her partner

- Alex's partner has a part-time job. Now that Alex can look after the kids after school, they decide her partner can increase their work hours and bring in a bit more money.
- They get some free financial counselling through a charity.
- The financial counsellor Alex speaks with suggests they bundle this other debt with their mortgage to relieve the immediate pressure.

Sets a budget to help cut down on some expenses

- The financial counsellor helps Alex and her partner draw up a budget. Even if Alex faces a long period of unemployment or limited casual work, the new budget is one that they'll be able to manage.

Meets their home mortgage provider to renegotiate the terms of their loan

- When they meet with their home mortgage provider, it's agreed that if Alex is out of work for an extended period they can make interest-only monthly repayments. If Alex finds a job in less than eight weeks, she can use some of what's left of her package to reduce their mortgage.

Catches up with old workmates

- At a lunch with some old workmates who were also retrenched, it's decided that they'll meet every second Friday.



Vin is waiting for his entitlements

Vin was retrenched because his employer went into liquidation. He hasn't been paid for unused leave and he didn't receive a retrenchment payment.

What Vin does – 1st week

Contacts Centrelink

- Vin gets in touch with Centrelink, and finds out about the Fair Entitlements Guarantee (FEG), a basic payment scheme set up to help employees like him whose entitlements haven't been paid. He calls the FEG hotline to find out more.
- Although Vin is eligible, FEG can only pay four weeks' wages in retrenchment entitlements for each full year he worked with his employer, instead of the six weeks per year he should have received.
- Vin sends in a FEG claim form and considers what to do about finding a new job. With a bit of money in the bank and the FEG payment to come, he decides that this could be a good chance to build on his skills.

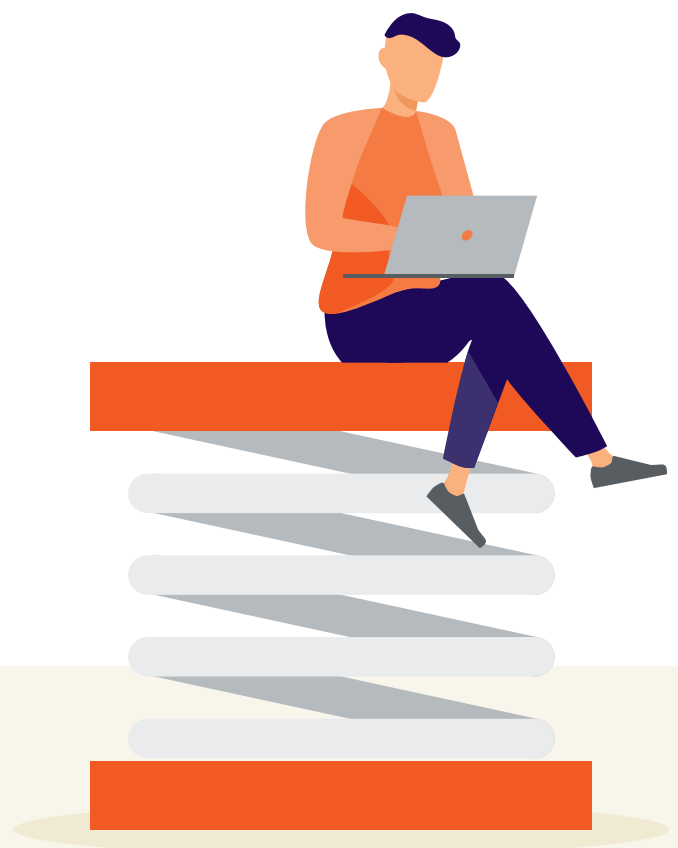
What Vin does – 1st month

Investigates training opportunities

- Vin contacts Centrelink and asks about retraining schemes and support for job seekers.
- He can't get the Newstart Allowance yet because his FEG payment will include some unused leave as well as his retrenchment entitlement.
- Centrelink gives Vin some information about a number of retraining options he can think about.

Gets a referral to Workforce Australia

- Centrelink also refers Vin to Workforce Australia.
- Vin starts looking for part-time work to help cover his basic living expenses while he does some retraining.



Anna is getting ready for retirement

Anna has just received her retrenchment package. She's just turned 60, and her husband's still working, but the extra money isn't enough to allow her to retire.

What Anna does – 1st week

Discusses retirement finances with her husband

- On reviewing finances with her husband, Anna's worked out she'd need to keep working at least part-time for another five or six years to meet their financial goals. She's keen on working a bit longer herself if it means they can both retire at the same time.

She makes an appointment with a financial planner

- Anna calls AustralianSuper for advice and arranges to speak to a financial planner to discuss her options.
- She also discusses eligibility for the Age Pension through Centrelink and financial planner.

What Anna does – 1st month

Sees the financial planner and reads the transition to retirement information at ato.gov.au

- When Anna meets with the financial planner, they show her how advantageous it could be to go on working part-time – in particular as part of a transition to retirement (TTR) strategy. By opening a TTR Income account, it not only means she could access some of her super but could also enjoy tax savings. Plus her super will keep growing because of the contributions she's making from her part-time salary.

Looks for part-time work

- Working part-time may mean that Anna ends up fully retiring slightly later than originally planned, especially if it takes her a while to find her first part-time job. Although the job market is quite competitive at the moment, Anna is happy to keep looking for part-time work as long as it takes.

Looks for voluntary work in her area

- Anna visits govolunteer.com.au to see what voluntary work is available in the local area. She feels that doing a few hours a week for a community organisation will introduce her to a new group of people and keep her spirits up while she's job-hunting.



Notes

We're here to help you build a better financial future.

Call **1300 300 273**

8am to 8pm AEST/AEDT weekdays

Visit **australiansuper.com**



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