

WHEN CAN SUPER MONIES BE RELEASED ON “COMPASSIONATE GROUNDS”

Where an SMSF member is suffering a severe medical condition and does **not** have the financial capacity to pay for such medical expenses, they can apply to have some of their super funds released on ‘compassionate grounds’.

Note: An SMSF member must make a written application directly to the Department of Human Services (“DHS”).

There are specific conditions that must be satisfied and approved by the DHS (not the ATO) for the release of a member’s benefits on ‘compassionate grounds’.

That is, a member of an SMSF can generally have their benefits cashed on ‘compassionate grounds’ (subject to certain cashing restrictions) where those benefits are required for any of the following reasons (refer to SIS Reg 6.19A(1)):

1. Medical treatment or transport

To pay for medical treatment or medical transport (to access medical treatment) for the member or a dependant in the following circumstances:

- The medical treatment is necessary to treat a life threatening condition, to alleviate acute or chronic pain, or to alleviate an acute or chronic mental disturbance/illness;
- The medical treatment is not readily accessible through the public health system; and
- Two registered medical practitioners (one of whom is a specialist) must certify that each of the above requirements have been satisfied.

2. Special modifications to home, etc.

To pay for certain required expenses in the following circumstances:

- Modifications to their principal place of residence (i.e. home), or vehicle, to accommodate the special needs of either the member (who is severely disabled) or the member’s severely disabled dependant; and/or
- Disability aids to accommodate the severe disability,

provided they have a written statement from their medical practitioner, which confirms the following (as appropriate):

- The medical condition is a severe disability;
- The modifications to the member’s home or vehicle are needed, and/or the specific aids are required, to accommodate the disability; and/or
- The types of modifications that are needed (to the member’s home or vehicle) and why they are needed, and/ or how the aids will accommodate the severe disability.



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3. Palliative care

To pay for the palliative care of a member or their dependant, in the case of impending death *provided* they have a written statement from their medical practitioner, which confirms the following (as appropriate):

- That the medical condition is a terminal illness;
- That palliative care is needed; and
- The period for which it is needed.

4. Funeral burial expenses

To pay for expenses associated with the death, funeral or burial of a member's dependant. According to the DHS, a member is also required to provide evidence that their dependant has passed away, which could include a death certificate or a letter from the dependant's medical practitioner confirming this.

If you would like to discuss any aspect relating to your superannuation fund, please do not hesitate to contact us.

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