



Redundancy information





Are you facing redundancy?

Redundancy is often a trying time. There are so many questions that will come up, and often the answers are hard to find.

This brochure is the first step in helping you arrange your financial affairs and in providing some background information. The second step is talking to your Chifley Financial Planner. You can contact us on (02) 9273 0000 or 1800 800 002 or visit www.chifley.com

What termination payments could you expect?

If you accept a redundancy, you may be entitled to one or more of the following payments:

- Superannuation
- Annual and long service leave
- Accrued sick leave
- Redundancy package
- Gratuity or ex-gratia payment

Currently, some payments above are “Eligible Termination Payments” (ETPs) and can be rolled over. This means they can be transferred or rolled into superannuation investments, which may have significant tax advantages for you.

Payments currently eligible to be rolled over

- Superannuation
- Redundancy payments in excess of the tax-free limit*
- Some sick leave payments* (if payable)
- Gratuity or ex-gratia payment*

*When you roll over, tax will be deducted at 15% on the amount of your entitlement which relates to the proportion of your eligible service after 1 July 1983. **Please Note: The Federal Budget proposes that from 1 July 2007 no employer ETP's can be rolled into superannuation.**



Payments which can't be rolled over

- Unused annual leave
- Long service leave
- Redundancy payments (below tax free limit)

How do you rollover your ETP?

You should advise your employer of your intention to roll over your ETP and provide them with the name of the rollover institution or superannuation fund. Once any benefit is paid directly to you from your employer or elsewhere, it can no longer be rolled over.

To ensure your rollover is properly handled, contact a Chifley Financial Planner, who will assist you with the paperwork and discuss your options and particular circumstances.

What Social Security are you eligible for?

If you are too young for the age pension you may still be eligible for some Social Security support such as the Newstart Allowance. Any such payments are subject to assets and income testing to work out how much you will get. Benefits are payable after the relevant waiting period (over and above the ordinary waiting period of 1 week). There are two types of waiting periods.

- The Liquid Assets Waiting Period (LAWP)
- The Income Maintenance Period (IMP)

Do you need further help?

Upon redundancy, organising your financial affairs may lead to a number of extremely important questions which can be difficult to answer. Some of the questions that you should ask are:

- Will I find another job?
- Will I have enough money to live on?
- Am I entitled to Social Security support?
- What are the tax implications?
- What is the best use to make of my redundancy payment?
- Should I pay off my mortgage?

This Redundancy information brochure will help you through some of these or contact Financial Planning on (02) 9273 0000 or 1800 800 002 or visit www.chifley.com

Our offices

Sydney	28 Margaret Street
Parramatta	10-14 Smith Street
Lismore	81-83 Molesworth Street
Orange	187 Summer Street
Wagga Wagga	2/209 Baylis Street
Wollongong	Shops 2 & 3, 60 Burelli Street
Newcastle	161 King Street
Albury*	621 Dean Street
Goulburn*	148 Auburn Street

* Note: Albury and Goulburn offices are staffed at least one business day per month - bookings are essential.

Phone 1800 800 002.

Office hours 8.30am - 5.00pm Monday - Friday.

Please note that the information contained in this document is of a general nature only and is not for personal advice and has not taken into account your personal objectives, financial situation or needs. Any advice in this document is provided by Chifley Financial Services Limited (ABN 75 053 704 706), as an Australian Financial Services Licensee (AFSL 231148).

This paper is Australian made and certified under Environmental Management Systems ISO14001.

