

Voluntary Medical Retirement

What you need to know about Voluntary Medical Retirement

If you're thinking about applying for a Voluntary Medical Retirement (VMR), there's some important information you need to consider before you make a decision. This factsheet explains how it affects your super, where to go for more information and who to get in touch with for advice.

What is Voluntary Medical Retirement?

If you're a public sector employee suffering from an illness or injury, you may be eligible for the Queensland Government's Voluntary Medical Retirement. What this means for you is that you may be able to voluntarily retire because of your medical condition. You can read more about VMR eligibility criteria and terms and conditions on the Public Service Commission website at psc.qld.gov.au

Will a VMR affect my super?

When it comes to your super, we consider a VMR as a resignation benefit (and not the same as a redundancy or retrenchment). What this means is that your age and whether you plan on working again in the future affects how much of your super you can access at this time and how any withdrawals are taxed. It's important to know that a VMR doesn't mean you can automatically access your super early or make an insurance claim.

There may be some additional benefits available to you if your medical condition meets certain criteria. Please get in touch with us on **1300 360 750** for information on the requirements and application process to access these additional benefits. You can also visit our website for more information.

What does a VMR package include?

It includes:

- accrued recreation leave
- accrued long service leave
- a severance payment (minimum four weeks' pay and maximum 52 weeks' pay). You should know this payment may be considered an Employment Termination Payment, which could attract tax advantages.

Will payments be taxed?

How your payments are taxed depends on your individual circumstances. It's a good idea to speak to your tax accountant or financial adviser for more information. You can also call the ATO on **13 28 61** or visit their website ato.gov.au for general information on tax implications.

Will a VMR affect my insurance cover?

Yes, a VMR may affect any future insurance cover. It's important to understand that accepting a VMR doesn't automatically mean you are entitled to a TPD benefit. We'll assess whether you're entitled to a TPD benefit when we receive your application. It also means you may not be eligible for Death and Total and Permanent Disability cover through your super in the future. Please give us a call if you have any questions about this.

For your employer

If you have a Defined Benefit account, please ask your employer to tick the Other box under the *Type of termination* section and write VMR when they complete the *Employer Certificate* form (this is shown below). This ensures we calculate your super benefit correctly.

Employee's termination details

Please tell us the date your employee stopped working

Type of termination

- Voluntary (including resignation and retirement)
- Involuntary (including redundancy, early retirement, retrenchment, end of contract and termination of contract)
- Final day of permanent employment (employee is changing to casual employment)
- Dismissal
- Retired ill health
- Deceased
- Other (e.g. secondment)

VMR

Need advice?

You'll need to speak with your employer for more information about the process and to find out if you're eligible. If you're trying to decide if a VMR is right for you, visit the ATO website at ato.gov.au

Deciding what is best for you will depend on your personal circumstances and you may want to seek personal financial advice to get the most from your superannuation. You can find out more about financial advice options at qsuper.qld.gov.au/advice

Need more information?

To find new ways to get more out of your super, have a play around with the tools and calculators on our website at qsuper.qld.gov.au. You can experiment with as many different inputs and scenarios as you like.

And we're always here to help on the phone too. Just call us on **1300 360 750** to get in touch.

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