

Update: Coronavirus and Your Super

As Australia comes to terms with the changes to the way we live and begin to comprehend the impact on our everyday lives as a result of the coronavirus spread, we would like to take this opportunity to extend our thoughts to you and your family during these challenging times. For many, health and financial stress is increasing with each day, and we are here to support you as much as we possibly can during these extraordinary times.

Below we discuss important issues relating to the state of affairs as they currently stand, noting that this is a rapidly changing and evolving situation. We will attempt to update you as quickly as possible as changes come to hand.

What has happened?

The original emergence of the coronavirus (COVID-19) in the city of Wuhan, China in late 2019 and its rapid spread throughout the country in early 2020 was originally viewed both by governments and markets worldwide as an event that would likely be contained to that country, resulting in a temporary impact to the Chinese economy. It was thought by some commentators that stimulus provided by the Chinese government would mediate the global impact, and the impact to markets might see a “V-shaped” recovery.

However, the rapid spread of COVID-19 worldwide and the devastating health and economic consequences unfolding globally has seen these assumptions change.

What has changed?

The human impact on what is now officially a pandemic in countries across the world has been devastating. The economic impact is constantly evolving, and we are seeing extreme volatility in markets of a like rarely seen before. Governments and central banks are pumping massive amounts of stimulus into economies, with government assistance packages seemingly being rolled out and extended on a continuing basis to a range of industries and citizens alike.

What is Australia doing?

Australia has benefitted from time and the experiences of other countries to prepare and act on mitigation plans to help manage the impending onset of the virus in this country. The government has put in place necessary restrictions on both social and business activities in an attempt to ‘flatten the curve’ as it is now referred to, to limit the strain on the health system and manage the onset and potentially tragic consequences of a rapid and unmanageable spread of the disease.

The Australian Government has set up a dedicated website relating to the economic response to the coronavirus at <https://treasury.gov.au/coronavirus>. We would encourage you visit this website and read the information available regarding the stimulus packages and any benefits or entitlements for which you might be eligible.

If you run a small or medium business, you can visit business.gov.au to find out more about how the economic response can assist you.

What about my Super?

Managing your super through the market volatility

We recently wrote to you regarding our approach to managing your super, and re-iterated our position that superannuation is a long-term investment. Your super portfolio has been designed with market volatility as a key consideration. We attempt to manage times such as we are currently facing with diversified investment options. We stress test our portfolios annually to ensure they remain liquid and can withstand a wide range of economic shocks. Short-term volatility and the headlines that go with it are hard to look past, however the longer-term performance of your super investment options must be kept front of mind. History has shown that having a long-term plan and following it will ultimately give you the best chance of reaching your retirement goals than those who change investment options during a market downturn.

Whilst we would caution against changing your investment options or accessing your superannuation during a falling market, we recognise that for some this will be a necessary step in order to relieve some severe financial hardship as a result of the current circumstances. Please read below for information on the government concessions that have been recently announced to assist those directly impacted.

Early access to your super from mid-April 2020

The government has announced that while the superannuation system has been designed to meet retirement needs, this extraordinary situation has warranted a temporary relaxing of the normally very stringent early super access rules. Eligible individuals will be able to apply online through myGov from 20th April 2020 to access up to \$10,000 of superannuation before 1 July 2020, and up to a further \$10,000 from 1 July 2020 until 24 September 2020. Please note that you will not be able to apply for this release through the Fund, however we will assist in the processing of these once the government has approved the request.

You will not need to pay tax on amounts released and any monies withdrawn will not affect Centrelink or Veterans' Affairs payments.

Please visit <https://treasury.gov.au/coronavirus/households> for more information.

What about my Insurance through Super?

There have been some mixed-messages within the media, especially social media, in relation to insurance and your coverage if the worst were to happen now that the World Health Organisation has declared COVID-19 a pandemic. It is important to know that there are no pandemic-related exclusions on the insurance you hold within the Fund and you are covered for Death and Total and Permanent Disability resulting from COVID-19.

The way forward

We understand that the impact of COVID-19 is creating stress and challenges for many members of our Fund and the community as a whole. We will endeavor to keep you informed of any relevant changes to government policies and concessions during this difficult time, as well as update you on the market and our long-term thinking as this situation evolves.

Please note that the information in this notice is general only, and does not take into account your objectives, financial situation or needs and you should consider whether it is appropriate for you. You also may wish to consult with a financial adviser. Before making any decision in relation to Max Super you should read the [PDS](#) and [Reference Guide](#) as appropriate.

Interests in the max Super Fund are issued by Tidswell Financial Services Ltd ABN 55 010 810 607, AFSL 237628, RSE L0000888, as Trustee of max Super ABN 22 508 720 840.