

# Genuine Redundancy Nomination Form



Dear Member,

## Protect Genuine Redundancy Account Nomination

Protect members can choose between two severance account options:

- Termination Account (TER) – this is the default option account
- Genuine Redundancy Account (GRA)

The following table summarises under what circumstances you can access your Protect account:

Your circumstances	TER account	GRA account
Termination	Yes	No
Resignation	Yes	No
Redundancy	Yes	Yes
Death	Yes	Yes
Retirement	Yes	Yes

### Genuine Redundancy Account (GRA)

The Union and Employer Sponsors of Protect together with the Board have structured Protect to give you the greatest redundancy benefits possible, including the opportunity to access tax-free or significantly reduced tax redundancy payments via a Protect Genuine Redundancy Account.

If you have been made **redundant**, are under 65 years old, and have nominated to have your account administered as a GRA, you should be able to access the following tax concessions<sup>1</sup>:

- The first \$10,155 plus an additional \$5,078 for each completed year of service with your employer being tax free
- The next \$200,000 is concessional tax at 32% or 17% if over preservation age

You can make an initial GRA claim up to your tax-free limit, or your total account balance (whichever is lesser).

To take advantage of these arrangements you must **nominate** to have your Protect severance account administered as a GRA account.

**YOUR NOMINATION MUST BE MADE BEFORE YOUR POSITION IS MADE REDUNDANT**

**NOMINATION IS A PERMANENT CHANGE THAT CANNOT BE REVERSED AT A LATER DATE**

**YOU NEED TO CONSIDER YOUR DECISION CAREFULLY**

If after careful consideration of your personal circumstances and after seeking independent financial advice, you would still like to nominate to have a Protect Genuine Redundancy Account, please complete the enclosed Genuine Redundancy Nomination and return it to Protect.

Your nomination will come into effect 28 days after it is received by Protect. During this waiting period, you are able to reverse your nomination but will not be able to receive a Genuine Redundancy claim until after the 28 day waiting period has expired.

If you have any questions in relation to your choice of accounts, please contact our office on 1300 344 249.

Regards

Protect Administration

<sup>1</sup>These amounts are indexed at the start of each financial year. Different tax rates may apply for retirement and death benefits and for amounts of \$200,000 cap threshold

**Disclaimer**

The information above is provided as a guide only. It does not constitute financial advice. Workers should consult a legally qualified and professionally accredited adviser to establish the facts of their own situation.

# Genuine Redundancy Nomination Form



## PROTECT GRA ACCOUNT

Some examples of how the Genuine Redundancy Account (GRA) works.

**1. A worker has nominated for their account to be administered as a genuine redundancy account (GRA).**

The worker has a balance of \$7,500

The worker is under 65 years old and is made redundant and lodges a claim

The worker has been with his current contributing employer for two and a half years

The worker is entitled to a tax-free redundancy payment of up to \$20,311 ( $\$10,155 + [2 \times \$5,078]$ )

The entire balance of \$7,500 will be paid to the worker tax free

**2. A worker has nominated for their account to be administered as a genuine redundancy account (GRA)**

The worker has a balance of \$80,000

The worker is made redundant and lodges a claim

The worker has been with his current contributing employer for twelve years

The worker is entitled to a tax-free redundancy payment of up to \$71,091 ( $\$10,155 + [12 \times \$5,078]$ )

An initial claim of \$71,091 will be paid to the worker tax free

If the worker continues to be unemployed for a further four weeks and claims, the balance of \$8,909 is taxed as an ETP at 32%

**3. A worker has nominated for their account to be administered as a genuine redundancy account (GRA)**

The worker has a balance of \$16,000

The worker resigns from his employer and therefore was NOT made redundant and lodges a claim

The worker is not entitled to make a claim on his GRA account as his position was not made genuinely redundant. The worker will need to wait until retirement or a future redundancy from another employer in order to access his GRA account.

### Disclaimer

The information above is provided as a guide only. It does not constitute financial advice. Workers should consult a legally qualified and professionally accredited adviser to establish the facts of their own situation.

Different tax rates may apply for retirement and death benefits and for amounts over \$200,000 cap threshold.

# Genuine Redundancy Nomination Form



I hereby elect to have my severance account administered as a Genuine Redundancy account (GRA).

I understand and agree that this election is irrevocable and that:

- I cannot change my account type at a later date; and
- I can only access my Genuine Redundancy (GR) account, if I am made redundant and my employer confirms my redundancy in writing, or at retirement after my preservation age.

Signature

Date

Full Name

---

Date of Birth

Membership Number

Address

---

Suburb

---

State

---

Postcode

---

Home Telephone

---

Mobile Number

---

Email Address

---

Current Employer

---

**Please sign, date and return to:**

**Protect**  
**PO Box 482**  
**North Melbourne VIC 3051**  
**Email: [admin@protect.net.au](mailto:admin@protect.net.au)**  
**Fax: 03 9326 8736**

Your Protect account will be changed to a Genuine Redundancy account 28 days after your Genuine Redundancy nomination form is received by Protect. You can withdraw your election to have your account administered as a Genuine Redundancy account, if you advise Protect in writing within these 28 days.