



# Understanding early access to super

Accessing your super early can come with serious consequences.

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Superannuation is intended to support people during their retirement. There are only a few situations where early access to super is permitted and if you take out your super without meeting these [conditions \(/individuals-and-families/super-for-individuals-and-families/self-managed-super-funds-smsf/paying-benefits/conditions-of-release\)](#), serious penalties could apply.

Illegal early access is the most significant regulatory risk impacting the SMSF sector, with an [estimated \(/about-ato/research-and-statistics/in-detail/tax-gap/q-z-tax-gaps/self-managed-superannuation-funds-illegal-early-access/latest-estimate-and-trends-for-smsf-illegal-early-access\)](#) \$250.1 million in [illegal early access \(/individuals-and-families/super-for-individuals-and-families/super/withdrawing-and-using-your-super/early-access-to-super/illegal-early-access-to-super\)](#) from SMSFs in the 2021–22 period. It can have a significant impact on an individual's retirement savings, result in additional tax, penalties, and interest.

To reduce illegal early access through SMSFs, we provide support and guidance on obligations as a trustee, review new registrants, and remove non-compliant SMSFs from SuperFund Lookup. If an SMSF is removed from SuperFund Lookup, it cannot receive contributions and may face liquidity issues.

If you're a SMSF trustee and you illegally release benefits to a member who hasn't met a condition of release, you may face administrative penalties and be disqualified as an SMSF trustee.

If you have illegally accessed your super or been involved in a scheme promoting illegal early access, contact us immediately using our [voluntary disclosure service \(/individuals-and-families/super-for-individuals-and-families/self-managed-super-funds-smsf/smsf-regulation-and-compliance/smsf-compliance/smsf-voluntary-](#)

disclosure-service). We will take your voluntary disclosure and circumstances into account when determining any penalties.

We also investigate late or non-lodgments of SMSF annual returns (/individuals-and-families/super-for-individuals-and-families/self-managed-super-funds-smsf/smsf-administration-and-reporting/lodge-smsf-annual-returns) (SARs) as that can be an indicator to us that SMSF members may be illegally accessing their super early and it raises questions about the trustees' ability to fulfill their obligations and the purpose of having an SMSF.

We continue to collaborate with ASIC to identify non-compliant funds and take corrective actions.

For more information, we have a factsheet (PDF, 157 KB) ([https://www.ato.gov.au/api/public/content/9765ca6e-767a-4997-8cb0-beb4fb5d3c72\\_n75450\\_Illegal\\_Early\\_Release\\_Super\\_fact\\_sheet\\_pdf](https://www.ato.gov.au/api/public/content/9765ca6e-767a-4997-8cb0-beb4fb5d3c72_n75450_Illegal_Early_Release_Super_fact_sheet_pdf)) to help individuals understand:

- permitted reasons you can access your super
- risks of accessing your super early
- steps to take if someone offers to help you access your super early.

## Prohibited loans

Loans to members are prohibited under the law and can result in significant penalties, regardless of whether repayments are made.

In the 2021–22 financial year, the amount inappropriately withdrawn from SMSFs via prohibited loans was estimated to be \$231.7 million.

**Looking for the latest news for SMSFs?** – You can stay up to date by visiting our SMSF newsroom (/individuals-and-families/super-for-individuals-and-families/self-managed-super-funds-smsf/smsf-newsroom/) and subscribing (<https://subscribe.news.ato.gov.au/link/id/zzzz5cbe7b4e8b790364/page.html?prompt=1&>) to our monthly SMSF newsletter.

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## Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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