

# Redundancy

## Take Control

After redundancy, you'll probably be looking at your final pay – and worrying about where the next one will be coming from. It's a legitimate concern.

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## Facing redundancy

So where to now? You're out of a job and not sure where the next pay is coming from. This can be a stressful time juggling your regular financial commitments such as mortgage repayments, credit card bills, health insurance or savings plan, with a reduced income or no income at all.

UniSuper Advice can help you focus on planning for the uncertainties and opportunities a redundancy can bring.

Our financial advisers are experienced with redundancy strategies and we've listed some of these to give you an idea of how we can help.

You might think the cost of financial advice is out of your reach, but we encourage you to set up a complimentary appointment to find out if we can help you.

You can contact us on **1800 823 842** or **[advice@unisuper.com.au](mailto:advice@unisuper.com.au)**

## Case study

Neale is 45 and has recently found out that his role will be made redundant after 12 years with his employer. He will be receiving a lump sum of \$110,000 and, if he can avoid it, doesn't plan to take an extended break from working. He has decided to look for a similar role but is aware that this may take time. He still owes around \$180,000 on his mortgage and has savings of \$15,000 which he had planned to use towards an overseas holiday next year.

Neale has never been made redundant before and is not sure what to do with such a large sum of money. He realises that he has some important decisions to make and decides to contact a qualified financial adviser from UniSuper Advice.

Neale discusses his overall financial situation with his adviser and understands that he may lose his insurance cover should his account remain inactive for 16 months. Neale's not sure how long it will take him to get another job but wants to be covered in case something unexpected happens. His adviser also discusses his other immediate financial commitments.

Based on Neale's circumstances, his adviser recommends that he set aside a portion to cover any unexpected expenses, as well as invest an amount that he's comfortable with, while using the remainder for living expenses while he looks for another job. They also discuss the amount of insurance cover Neale requires while he is unemployed and factor this amount in to his financial plan.



## Things to consider

It's important to review your current financial situation and take steps to protect your finances and lifestyle. If you've received a lump sum payment as part of your redundancy, understanding the best way to use it is important.

### **JOB SEEKER PAYMENT**

If you leave your job and apply for a Job Seeker Payment (formerly Newstart Allowance) after you've accepted a redundancy payment, you may be subject to an income maintenance period. This means there could be a waiting period before you receive the Job Seeker benefit. Before making plans to spend your redundancy, you should consider potential delays in receiving an income support payment.

### **PLANNED EXPENSES**

Consider your planned expenses, particularly in the 12 months following redundancy. If your mortgage is your biggest expense, you might consider paying a lump sum to get ahead. Or, if you think you'll struggle to meet loan repayments amongst your other expenses, it's a good idea to call your mortgage provider and ask them what options are available to you to manage your loan repayments.

### **ILLNESS AND ACCIDENTS**

When you're looking for work, the last thing you want to happen is something unexpected like an illness or accident, emotionally and financially. While you were working you may have been paying insurance via your super contributions to cover you for illness and accidents which you may no longer be covered for. If you need insurance while out of work, checking your cover with someone who's qualified will give you peace of mind should something unexpected happen.

## RETIREMENT

If you're over 56 and considering retirement, but not quite sure whether you have enough saved to make it happen, your redundancy might provide the perfect opportunity to take stock and figure out a path to retirement. Depending on your circumstances, you might think about placing some of your redundancy amount into your super fund. This will help boost your super balance if you're considering starting a pension.

## Take action

There are some important financial decisions you'll need to make when facing redundancy. Figuring out how to tackle the different aspects might seem overwhelming.

Of course everyone's financial circumstances are different, but when it comes to redundancy, we've helped many clients focus on planning for the uncertainties and opportunities that it can bring.

To make a complimentary appointment for an initial discussion about your redundancy, you can phone us on **1800 823 842** or email **[advice@unisuper.com.au](mailto:advice@unisuper.com.au)**

## CONTACT UNISUPER ADVICE



Monday to Friday 8.30am to 6.00pm (Melbourne time)  
**1800 823 842** (for the cost of a local call)  
**+61 3 8831 7916**  
(if you're calling from outside Australia)



[advice@unisuper.com.au](mailto:advice@unisuper.com.au)



[unisuper.com.au](https://www.unisuper.com.au)

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