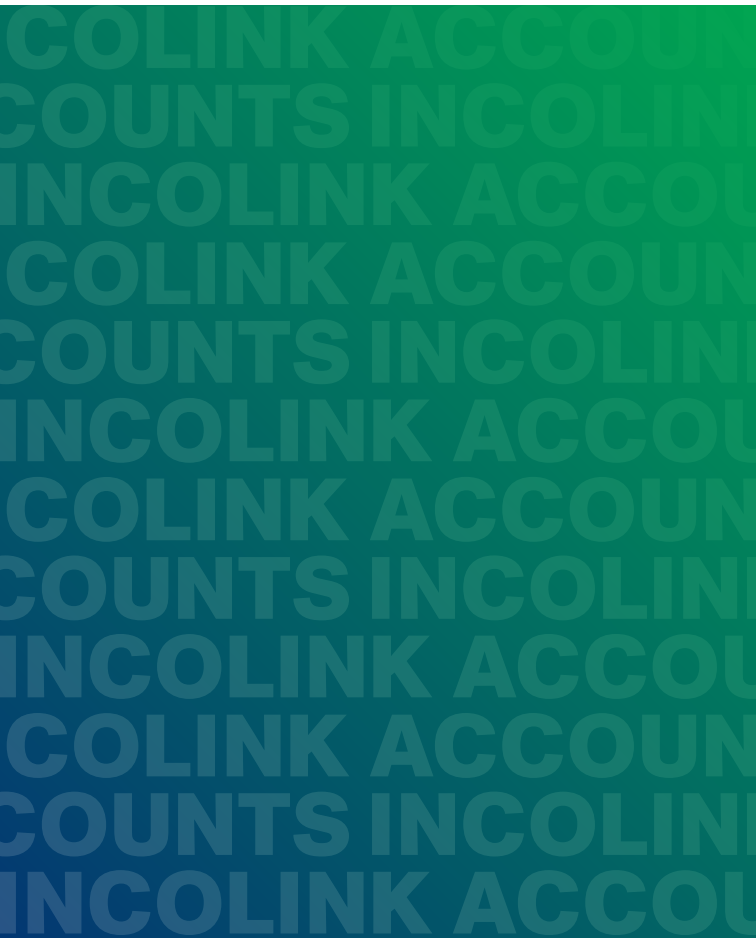




A joint enterprise of employer associations  
and unions in the building and  
construction industry

**Incolink  
accounts**



## **Your choice of accounts - Severance Account or Genuine Redundancy Account**



Incolink was established in 1988 as the industry redundancy scheme to support workers between jobs.

As well as managing funds for workers, Incolink supports the Industry with a range of benefits and services.

Phone: **(03) 9639 3000**  
Website: **[incolink.org.au](http://incolink.org.au)**  
Address: 1 Pelham Street,  
Carlton VIC 3053



#### **IMPORTANT**

Please note that while every effort has been made to ensure the accuracy of the information contained in the guide at the time of publishing, it does not purport to contain all the information that may be relevant to the matters contained in it, and is provided as a matter of interest only.

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This brochure is designed to provide information to the most common questions but is not a substitute for the Trust Deeds which govern the Incolink Redundancy Funds. The information contained herein is correct as of August 2017.

Information provided is of a general nature, and Incolink recommends seeking your own independent advice.

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Incolink is the largest and oldest redundancy funds manager in the commercial and civil construction industry.

We continuously strive to provide you with the best value for your membership. Employers should continue to make redundancy contribution payments to Incolink to ensure workers have full access to our exclusive benefits and services.

# Choose your account

Workers can select how their Incolink funds are treated. Funds can be held in either;

- an **Incolink Severance Account** (default account provided to Incolink worker members), provides access to funds for workers if their employment is terminated for any reason. Severance termination payments are taxed **at the marginal tax rate**; or
- an **Incolink Genuine Redundancy Account (GRA)** enables workers to claim a genuine redundancy payment if their employment is terminated because their position is made genuinely redundant, **at a nil or reduced tax rate**.

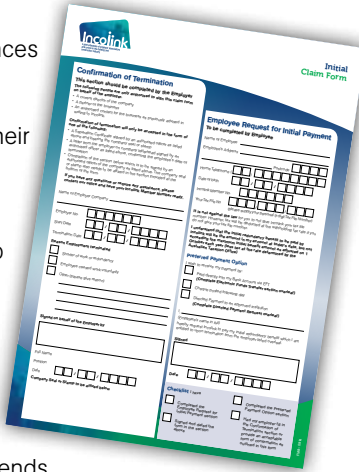
Other situations where payments from an Incolink GRA may be claimed include permanent disability and death. To select an Incolink GRA workers will need to complete the *Incolink Genuine Redundancy Account Application Form*. To obtain a copy of this form please contact Incolink or download it from: [incolink.org.au](http://incolink.org.au)



# Severance Account

When a worker commences work on a commercial construction site within Victoria and Tasmania, their severance payments will be paid to Incolink. Payments are automatically placed into an Incolink Severance Account.

The Incolink Severance Account provides workers with termination payments when their employment ends.



- Upon termination workers are eligible to make an Initial Claim to Incolink.
  - o The Initial Claim (less tax at the marginal tax rate) will be paid into the worker's account.
  - o The amount will not exceed the maximum initial benefit as prescribed in the Trust Deeds (as adjusted on 1 October each year) or the balance of the account if the amount held is less than the maximum initial benefit.
- Workers who remain unemployed for four weeks after termination are eligible to claim any remaining balance of their funds by completing the Balance of Funds Claim Form.

## Authorised officers

The following people are authorised to sign documents related to claims on behalf of the employer:

- A current director of the company
- A partner in the business
- An authorised contact for the company as previously advised in writing to Incolink

## When can I make a claim?

### Initial Claim

A worker can make an Initial Claim when they become unemployed.

A claim is made by:

- a) Using WorkerLink, the online Incolink member service available at [incolink.org.au](http://incolink.org.au) or:
- b) Completing the Initial Claim Form and forwarding it to Incolink via fax, mail, email or in person to the Incolink office.

An employer must confirm termination by one of the following methods;

- Logging into EmployerLink and entering the termination details for the relevant worker
- Completing the Confirmation of Termination section of the claim form by an authorised officer of the company and bearing the company stamp/seal
- Providing a Separation Certificate completed and signed by an authorised officer of the worker's employer and bearing the company seal/stamp.
- Providing a letter on company letterhead, signed by an authorised officer, confirming the date of the worker's termination.

If a worker is still unemployed after 4 weeks, they are then eligible to make a claim for the balance of funds from their account by completing a Balance of Funds Claim form.



## Balance of Funds Claim

A worker can apply to withdraw the balance of money left in their account after their Initial Claim has been paid, provided the worker meets one of the following criteria:

- They have been unemployed for four weeks and registered with either Incolink Job Support or Centrelink.

If registered with Centrelink please provide an official document as proof of registration.

If a worker is not registered with either Incolink Job Support or Centrelink they must complete a statutory declaration.

- Have not worked in the industry for 39 weeks; a statutory declaration must be completed and executed.
- Is retiring from active employment and is over 55 years of age; a statutory declaration must be completed and executed.
- Is leaving Australia for more than two years (a certified copy of a current passport and itinerary showing a non-return flight must be provided as proof); a statutory declaration must be completed and executed.

Contact Incolink for further information about making a claim or download a form from: [incolink.org.au](http://incolink.org.au)

To make a claim on any remaining balance a worker will need to submit the Balance of Funds Claim Form. If submitting with a statutory declaration, the original claim document must be posted or delivered in person to Incolink. Emailed or faxed copies will not be accepted.

The image shows a sample of the 'Balance of Funds Claim Form' from Incolink. The form is titled 'Balance of Funds Claim Form' and includes sections for 'Part 1. Personal Details', 'Part 2. Type of Claim', and 'Part 3. Statutory Declaration'. It contains various checkboxes and text boxes for providing personal information, selecting the reason for the claim, and making a statutory declaration.

## **Apprentice claims**

For apprentices working on a commercial construction site, their employer/s will either provide Incolink with the number of days apprentices work on site or redundancy contribution payments, if required under an industrial instrument. Days on site includes days on leave, days on workers compensation, days at school, rostered days off and public holidays.

During an apprenticeship, if an apprentice becomes unemployed due to lack of work and they have worked on a commercial construction site, they may be entitled to make a redundancy claim.

**If an apprentice becomes unemployed**, they can claim their apprenticeship days as redundancy in the following situations:

- A. An apprentice completes their apprenticeship, then completes 52 weeks within the commercial building industry, and their employer/s have paid 52 weeks of employer redundancy contributions into Incolink during the period.
- B. An apprentice who has not yet finished their apprenticeship is laid off due to a lack of work and there is no arrangement with their employer to re-employ them, and where the apprentice training agreement is cancelled.
- C. An apprentice completes their apprenticeship, and is then laid off due to a lack of work within the next 52 weeks. There must be no arrangement with the employer to re-employ them.

To be eligible to have the days paid out as redundancy under situation A, the apprentice and the employer must complete and lodge an Initial Claim Form. To obtain a copy of this form please contact Incolink or download it from: **[incolink.org.au](http://incolink.org.au)**

Under situations B and C, the Apprentice and the employer are required to complete and lodge an Apprentice Credits Application Form, Initial Claim Form and provide the supporting documentation confirming the cancellation of the apprenticeship and training contract.



# Tax on severance payments

When processing severance claims, Incolink will deduct tax at the current rate determined by the Australian Tax Office (ATO).

It is not against the law for workers not to provide Incolink with their Tax File Number (TFN), however workers who do not provide their TFN, or confirmation of their exemption from this requirement, will have tax deducted at the maximum marginal rate.

Please refer to the Australian Tax Office for the most recent tax rates at [ato.gov.au](http://ato.gov.au).

## Preservation age\*

A person's preservation age depends on their date of birth, as set out in the following table. Your Preservation Age may affect your tax rate.

Date of Birth	Preservation Age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
From 1 July 1964	60

## Request to transfer from a reciprocating fund

Workers holding a Severance Account with another reciprocating redundancy funds provider are able to transfer their funds to Incolink. The funds must be transferred by the funds provider where an approved account of the same type is available.

Workers will need to complete the *Incolink Transfer from a Reciprocating Fund form* to confirm the transfer of redundancy funds.

# Severance Account frequently asked questions

## **Q. Can I access my Incolink statements online?**

**A.** Yes, using WorkerLink which is Incolink's online account management. Members can activate their card, check their balance, submit an online claim and update their personal details using WorkerLink.

## **Q. What is my employer required to pay to Incolink?**

**A.** Depending on the requirements of your workplace agreement covering your employment, employers may be required to pay the following contributions to Incolink:

- Redundancy (includes Apprentice Levy)
- Portable Sick Leave (PSL)
- Income Protection Insurance (IPT)
- Co-managed Training Levy (CTP)

## **Q. How often are redundancy contributions paid into my account?**

**A.** Redundancy contributions are paid monthly to Incolink by employers on behalf of their workers. The payments are in arrears and are dependent upon the number of weeks you work on a commercial construction site, during the monthly invoice period.

The funds created by these contributions provide redundancy payments and a range of other benefits and services to construction industry workers. The amounts employers contribute for workers are set down in an industrial instrument and the Fund Trust Deed.

## **Q. What do I do if payments are missing or there are gaps in payments?**

**A.** If contribution payments have not been made, contact your employer immediately as you may not be covered for insurances administered by Incolink.

As the Administrator of these schemes, Incolink is continually following up overdue employer contribution payments. It is important that workers check their quarterly benefit statement to ensure their redundancy and IPT contribution payments have been made. Where there are gaps in redundancy contributions and insurance contribution payments, no cover will apply for those periods.

## **Q. When can I make my Initial Claim?**

**A.** You can make your Initial Claim when you first become unemployed:

- If you have been terminated and are still unemployed at the time of lodging your claim form.
- If you have voluntarily resigned from your current employer and are currently out of work.

## **Q. What is the amount of the Initial Claim?**

**A.** Contact Incolink to confirm the amount paid in the Initial Claim. The payment amount increases annually on the 1<sup>st</sup> of October in line with annual movement in the Consumer Price Index (CPI).

## **Q. How long will it take for me to receive my Initial Claim?**

**A.** Once Incolink receive your completed Initial Claim Form it will take up to 48 hours (2 days) to process into your account. However, if your claim is received before 12pm you are likely to receive your benefit payment on the next business day.

## **Q. When can I claim the remaining Balance of Funds in my Incolink account?**

**A.** Your remaining balance is known as Balance of Funds.

You can claim your Balance of Funds:

- If you are still unemployed after four (4) weeks from your last termination date.
- If you have been out of the Industry for more than 39 weeks (9 months) from your last termination date.
- If you are leaving the country for more than two (2) years.
- If you are over 55 years of age and retiring.

### **Q. Will I get taxed when I make a claim?**

**A.** When processing the claim, Incolink will deduct tax at the current rate determined by the Australian Taxation Office (ATO). Go to [ato.gov.au](http://ato.gov.au) for more information.

### **Q. Do I need to supply my Tax File Number?**

**A.** It is not against the law for workers not to provide Incolink with their Tax File Number (TFN), however workers who do not provide their TFN, or confirmation of their exemption from this requirement, will have tax deducted at the maximum marginal rate.

### **Q. What happens if I get sick or injured?**

**A.** If you become sick or injured and are an active member of Incolink (currently receiving contributions) you may be eligible for the Incolink Accident and Illness Benefits Program.

Please refer to the Incolink Accident and Illness Benefits Program Brochure available to download from [incolink.org.au](http://incolink.org.au) or by phoning Incolink on **(03) 9639 3000** for more information about the range of benefits available. Incolink does not differentiate if you are a financial union member at the time of your accident and when you make a claim.

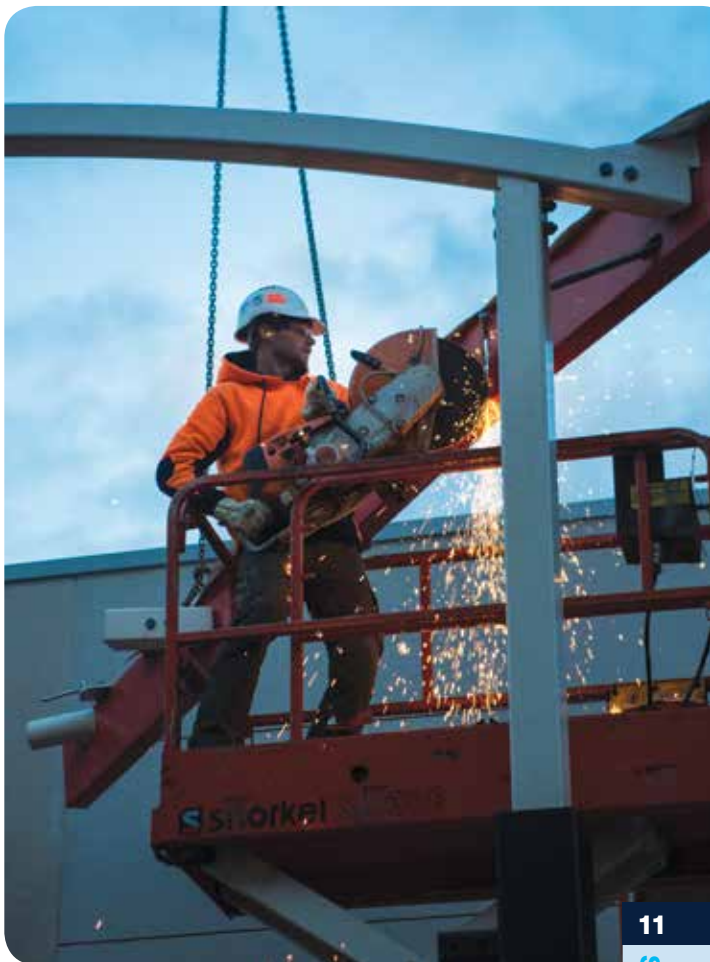
### **Q. I've made my Initial Claim from my Incolink Severance Account. Can I now move my account to an Incolink Genuine Redundancy Account (GRA)?**

**A.** Yes, however, there are two things to consider:

1. If you are unemployed for 4 weeks and you intend to claim your balance this balance will be treated as severance payment as it has had no contributions as a GRA; or
2. If you are working again your account can be moved to an Incolink Genuine Redundancy Account (GRA), with a 14 day cooling off period. If you are then made genuinely redundant from this job you can make a claim on your Genuine Redundancy Account.

### **Q. I've got my funds with another redundancy fund; can I transfer them to Incolink?**

**A.** If you have your redundancy funds held by another provider you should complete a transfer request form to transfer your current redundancy funds to Incolink.



## For further information on Incolink's Severance Account:

### Incolink Industry Liaison Officers

**Russell Wilson**

**Phone: 0408 607 737**

**Email: [russellw@incolink.org.au](mailto:russellw@incolink.org.au)**

**Tony Cordier**

**Phone: 0448 870 225**

**Email: [tonyc@incolink.org.au](mailto:tonyc@incolink.org.au)**

**Web: [incolink.org.au](http://incolink.org.au)**

# Genuine Redundancy Account

## What is a Genuine Redundancy?

The Australian Tax Office (ATO) defines genuine redundancy as when the job the worker was doing is no longer required and the employment is terminated for this reason. This means the worker will not be replaced by another person and there is no agreement with the employer to be re-hired. However, if the employer can demonstrate an increase in work and the position is again available, they can rehire you for that position.



If a redundancy is a genuine redundancy, the worker will qualify for a special tax concession on part or all of the funds received from their Genuine Redundancy Account (GRA).

Incolink gives workers the opportunity to maximise their redundancy benefits payable when they are made genuinely redundant.

## What is not a Genuine Redundancy?

Genuine redundancy does not include termination of employment due to:

- Dismissal of a worker who has reached normal retirement age.
- Termination of a worker who leaves voluntarily (other than a voluntary redundancy situation).
- Replacement of a worker by another worker to carry out the same duties soon after they have left.
- Dismissal of a worker due to misconduct.
- Dismissal of a worker for disciplinary reasons, including poor performance.
- Dismissal of a worker due to inefficiency.

If any of the above criteria are met, the termination is not considered a genuine redundancy for tax purposes.

# Applying for a Genuine Redundancy Account (GRA)

Workers must elect to have their Incolink account transferred into an Incolink Genuine Redundancy Account (GRA) and should seek independent advice when deciding if an Incolink GRA is right for their situation.

To apply workers need to complete the *Incolink Genuine Redundancy Account Application Form* and submit it to Incolink.



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Applying for a GRA

## Cooling-Off Period

There is a 14 day cooling-off period from when Incolink receives a workers request to administer their account into an Incolink GRA. Once the 14 day cooling-off period has finished this selection cannot be changed.



During the 14 day cooling-off period workers are able to withdraw their application to have their account transferred by completing the *Incolink Genuine Redundancy Account Cancellation Form*. The worker's account will then remain as an Incolink Severance Account.

**PLEASE NOTE:** A worker being made redundant during the 14 day cooling-off period will be treated as a Severance Account not a Genuine Redundancy Account.

## Casual workers

Due to the nature of their employment conditions casual workers are not eligible for an Incolink Genuine Redundancy Account (GRA).

# Claiming Genuine Redundancy

The entire Incolink balance will be paid out when an Incolink GRA claim is made. A worker's claim will only be paid if they are eligible to claim a genuine redundancy, which is defined in accordance with the Australian Tax Legislation.

Upon termination, an employer must confirm it is a genuine redundancy

1. by completing the employer section of the Incolink Genuine Redundancy Claim Form; or
2. by logging into EmployerLink and entering the termination details.

The tax free amount will be calculated on the worker's completed years of employment using the Australian Taxation Office (ATO) rules.

## Your next claim

Unlike other funds, Incolink allows workers to re-select their redundancy account type once they are re-employed in the construction industry, having claimed their Incolink Genuine Redundancy Account (GRA).

For example, if a worker has been made redundant and claimed the balance of their GRA, the account will become nil as the full balance is paid out. On re-employment the worker will be placed in to the default Incolink Severance Account and will again have the choice of selecting a GRA.



# Cost

There will be nil cost for workers to select and transfer their redundancy account balance into an Incolink Genuine Redundancy Account (GRA). Further, Incolink does not charge workers any fees to claim their funds.

If Incolink receives contributions relating to a worker's genuine redundancy claim period, after their balance has been paid, these will be paid separately.



# Tax on Genuine Redundancy Payments

When Incolink is processing a GRA claim any taxable portion will have tax deducted at the current rate determined by the Australian Tax Office (ATO).

Workers who do not provide their TFN will have tax deducted at the maximum marginal rate plus the Medicare levy.

## Preservation Age\*

A person's preservation age depends on their date of birth, as set out in the following table. Your Preservation Age may affect your tax rate.

Date of Birth	Preservation Age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
From 1 July 1964	60

# Request to transfer from a reciprocating fund

Workers holding a Genuine Redundancy Account (GRA) with any other industry redundancy funds are able to transfer their funds to an Incolink GRA by completing the *Request to Transfer Workers Balance to a Reciprocating Fund Form*.



**PLEASE NOTE:** If a worker holds an Incolink Genuine Redundancy Account their funds will only be transferred to another approved, reciprocating fund where the approved account fund is of an equivalent nature.

## Transferring employment history

Incolink hold records of workers' employment histories for the period they are actively receiving contribution payments into the fund.

Incolink are able to apply a worker's history to a Genuine Redundancy claim. However, if a worker transfers their funds from a reciprocating redundancy fund the worker will need to provide evidence, **in writing**, of their employment history.

### **Important:**

To apply the workers history to their GRA claim their previous employer/s must be a registered member of Incolink.

## Genuine Redundancy Account (GRA) Frequently asked questions

### **Q. What is genuine redundancy?**

**A.** The Australian Tax Office (ATO) defines genuine redundancy as when the job the worker was doing is no longer required and the employment is terminated for this reason. This means the worker will not be replaced by another person and there is no agreement with the employer to be re-hired. However, if the employer can demonstrate an increase in work and the position is again available, they can rehire you for that position.

If a redundancy is a genuine redundancy, the worker will qualify for a special tax concession on part or all of the funds received from their Genuine Redundancy Account.

### **Q. I've got my funds with another redundancy fund—can I transfer them to Incolink?**

**A.** If you have your redundancy funds held by another funds provider you can complete a transfer request form and transfer your current redundancy funds to Incolink.

### **Q. Will I still be eligible for Incolink insurances if I switch my funds to a Genuine Redundancy Account?**

**A.** Yes, you will be eligible for relevant insurance benefit as long as your contributions are up-to-date.

### **Q. Once I select a Genuine Redundancy Account can I switch back to a Severance Account?**

**A.** Only if you do so within the 14 day cooling-off period once we receive your completed application for a GRA. After the 14 day cooling-off period is completed, you cannot return to a Severance Account.

### **Q. Are Genuine Redundancy payments classed as income? Does this mean I am required to declare the money as income at tax time?**

**A.** Incolink's GRA provides a tax-free amount to eligible workers; these funds are not reported as income.

On your group certificate, any GRA payments will be shown on the PAYG summary as a lump sum payment (Item D).

Any funds paid to workers over the tax free limit will be taxed and is therefore reported as income. Incolink will issue a group certificate for these funds.

**Q. A worker selects an Incolink Genuine Redundancy Account (GRA), is then made genuinely redundant and claims their balance. When the worker picks up their next job, do they have to stay in a GRA?**

**A.** No, unlike other funds, Incolink allows you to select your redundancy account type each time you begin a new job in the construction industry that includes Incolink.

For example, if you have been made redundant and claimed the balance of your Genuine Redundancy Account, the account will become nil – as the full balance of funds are paid out.

On obtaining a new job you will be placed in the default Severance Account and then you will have the choice of reselecting a Genuine Redundancy Account.

**Q. How long does it take for my funds to be transferred to an Incolink Genuine Redundancy Account?**

**A.** Once the 14 day cooling-off period has passed GRA conditions will apply to the account and the funds transferred over. After the cooling-off period has passed you will not be able to change back to a Severance Account.

**Q. Can I apply to claim my account balance as a genuine redundancy during the 14 day cooling-off period?**

**A.** No, if you are made redundant during this time, and want to claim, it will be treated as a Severance Account claim not a Genuine Redundancy Account. You will need to lodge an Incolink Initial Claim Form under a Severance Account.

## **Q. I am a casual employee; can I hold an Incolink Genuine Redundancy Account?**

**A.** No, due to the nature of casual employment conditions an Incolink Genuine Redundancy Account is not available to casual workers.

## **Q. What happens if my employer has gone into insolvency and I cannot contact them to confirm my genuine redundancy claim?**

**A.** If you are unable to contact your previous employer due to the employer being insolvent, you will need to contact the liquidators handling the insolvency to complete the employers section of the *Incolink Genuine Redundancy Claim Form*.

## **Q. I've claimed my Initial Benefit from my Incolink Severance Account. Can I now move my account to an Incolink Genuine Redundancy Account?**

**A.** Yes, but only if and when you have been re-employed into a permanent position.

## **Q. How long do I have to make a claim after being made genuinely redundant?**

**A.** There is no time restriction on when you can make a GRA claim. However, if you are made genuinely redundant after age 65 Incolink will deduct tax at the current rate determined by the Australian Taxation Office (ATO). Go to [ato.gov.au](http://ato.gov.au) for more information.

## **Q. Can I claim part of my Genuine Redundancy Account balance?**

**A.** No, workers with a Genuine Redundancy Account will be paid the entire balance of their account upon making a claim.

### **For further queries about Incolink's Genuine Redundancy Account contact:**

**Tony Cordier**  
**Industry Liaison Officer**  
**Phone: 0448 870 225**  
**Email: [tonyc@incolink.org.au](mailto:tonyc@incolink.org.au)**

**Russell Wilson**  
**Industry Liaison Officer**  
**Phone: 0408 607 737**  
**Email: [russellw@incolink.org.au](mailto:russellw@incolink.org.au)**





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## For further information on Incolink accounts please call:

1 Pelham Street, Carlton VIC 3053

**Telephone:** (03) 9639 3000  
**Facsimile:** (03) 9639 1366  
**Freecall:** 1800 337 789  
**Email:** [redund@incolink.org.au](mailto:redund@incolink.org.au)

### Incolink Industry Liaison Officers

**Tony Cordier**  
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**Email:** [tonyc@incolink.org.au](mailto:tonyc@incolink.org.au)

**Russell Wilson**  
**Phone:** 0408 607 737  
**Email:** [russellw@incolink.org.au](mailto:russellw@incolink.org.au)

[incolink.org.au](http://incolink.org.au)