

Nominating beneficiaries

Superannuation death benefits do not automatically form part of your estate. So your will alone cannot dictate how your superannuation death benefits are to be distributed. The trustee of the fund is responsible for distributing your death benefit and you can guide the trustee's decision by nominating beneficiaries.

This fact sheet explains the different types of beneficiary nominations and how to make a nomination. If you hold a super account, you can make a binding nomination on the attached form. Forms for other members and nomination types are available at firststatesuper.com.au/forms.

What is superannuation for?

The sole purpose of superannuation is to provide for your retirement. But if you die, you want to be sure that the right people receive your superannuation death benefits.

You can control how your super account and any insurance benefits are distributed when you die by nominating a beneficiary (or beneficiaries).

Who can you nominate?

In most cases, you can only nominate your **dependants** and/or your **legal personal representative (LPR)** as beneficiaries of your super account if you die.

Your **LPR** is the executor or administrator of your estate. If you nominate an LPR to receive your super benefit in the event of your death, your LPR will distribute your benefit according to your will.

Your **dependants** include a spouse and/or any children.

Your spouse:

- a person who is legally married to you
- a de facto spouse (regardless of gender)
- a person (regardless of gender) with whom you are in a relationship that is registered on a relationship register of a state or territory.

Your children:

- your or your spouse's children
- adopted, step and ex-nuptial children
- your children under the *Family Law Act 1975*.

Your other dependants:

- a person who is **financially dependent** on you at the time of your death.

Being financially dependent does not necessarily mean that the person depends on you totally for financial support. Financial dependency means they rely on you to meet or assist in meeting daily living expenses such as utility and household expenses, rent and shared financial commitments like mortgage repayments or other loans.

- a person with whom you have an **interdependency relationship**. An interdependency relationship exists where you and another person satisfy all of the following four requirements at the time of your death:

1. you had a close personal relationship; and
2. you lived together; and
3. one or each provided financial support to the other; and
4. one or each provided domestic support and personal care to the other.

An interdependency relationship can also exist where two people have a close personal relationship, but the other requirements are not satisfied because either or both of them suffer from a physical, intellectual, psychiatric or other disability.

Dependency must be established and will be assessed as at the date of your death. For example, a former spouse is not eligible as a dependant unless they are financially dependent on you when you die.

In most cases, your parents and siblings are not considered to be your dependants for superannuation purposes, unless they are financially dependent on you or they are in an interdependency relationship with you.

If you do not have any dependants and an LPR is not appointed following your death, the trustee may be able to pay another suitable individual. You can nominate another individual to be considered by the trustee as part of a non-binding nomination.

Your nomination options

The type of nomination you choose depends on who you want to receive your benefits, and how certain you want to be that they will receive the benefits. Your choices are:

- **binding nomination:** a valid binding nomination 'binds' the trustee to distribute your benefit according to your wishes;
- **a non-binding nomination:** this provides an indication of your wishes and while it's not binding on the trustee, it will be taken into account when deciding on the beneficiary distribution.

Special rules for defined benefit, deferred benefit and lifetime pension members

Defined and deferred benefit members can make a binding nomination (lapsing or non-lapsing) for payment of any lump sum benefit; but the non-binding nomination option is not available to these members. The fund rules define what happens on the death of a lifetime pensioner, so nomination options are not available to lifetime and deferred (pension only) members.

Binding nomination

If you have a valid binding death benefit nomination in place at the time of your death, the trustee will pay a lump sum to each of your nominated beneficiaries in the proportions you direct. In other words, a binding nomination 'binds' us to pay your benefit exactly as you have requested, giving you complete control.

If a person you nominate is a dependant at the time of your nomination, but is no longer a dependant at the time of your death or dies before you do, your binding nomination will no longer be valid and the trustee will have full discretion over the distribution of the death benefit.

For this reason, it is important to review your nomination when your family circumstances change. For example, marriage, divorce, births and death may change your preferences.

A binding death benefit nomination:

- can be lapsing or non-lapsing
- is valid for a period of three years if it is a lapsing nomination
- remains valid unless revoked, if it is a non-lapsing nomination
- is invalid if one or more beneficiaries die or no longer meet the definition of 'dependant' at the time of your death
- is invalid if it has not been signed, dated and witnessed properly – *please follow the signing instructions carefully*
- can be updated by completing a new binding death benefit nomination
- can be renewed or revoked at any time
- overrides any prior non-binding nomination
- may not be binding if a court order prevents the payment or affects the validity of the nomination.

Non-binding nomination

A non-binding nomination provides your preference for how you would like your superannuation death benefit to be paid. The trustee will take your non-binding nomination into account but, unlike a binding nomination, we are not bound to follow it and we will decide how the benefit is distributed (guided by superannuation law) after your death. A non-binding nomination lasts forever and doesn't need to be updated, unless your circumstances or preferences change.

Reversionary nomination if you are receiving an income stream

A reversionary beneficiary nomination ensures that if you die while receiving an income stream, it will continue to be paid to your spouse. If your income stream reverts to your spouse, it will count towards your spouse's transfer balance cap. Nominating a reversionary beneficiary may also have social security implications. You can apply for, cancel or replace a reversionary nomination at any time. For more information, see the *Member Booklet* for income stream members or call us.

How do I nominate a beneficiary?

To make a binding nomination, simply complete the attached *Binding death benefit nomination* form and send it to us. Remember, if you're making or cancelling a binding death benefit nomination, you must have it **witnessed by two adults who are not nominated as beneficiaries**, to ensure it is valid.

You can make a non-binding death benefit nomination either online or by completing a *Non-binding death benefit nomination* form.

When you start an income stream, you can make a reversionary beneficiary nomination on the income stream application form. You can also make or change a reversionary beneficiary or a binding nomination on the *Income stream death benefit nomination* form. You can make a non-binding death benefit nomination either online or by completing an *Income stream non-binding death benefit nomination* form. All forms are available on our website and from customer service.

Confirmation of receipt

We will confirm in writing that your nomination has been received. Please contact us if you have not received confirmation within 21 days. While your nomination might be valid at the time you make it, we must check again after your death to make sure it is valid at that time.

Renewing and reviewing your nomination

If you have a **lapsing** binding nomination, you must renew it in writing every three years or it will become invalid and we will not be required to pay your benefit according to your nomination. We will write to you to remind you and provide a simple form for renewal. This must be completed and received by us while the existing nomination is still valid.

Regardless of the type of nomination you have, you should review your nomination whenever your personal circumstances change.

The role of the trustee

When exercising the trustee's discretion to distribute a benefit, we have a legal responsibility to pay the most eligible dependant(s). If you do not have a valid binding or reversionary beneficiary nomination, we make this decision taking into account your wishes and all information presented by potential beneficiaries, within the alternatives allowed by legislation and the fund's trust deed.

Tax on death benefits

For information about tax on death benefits, read the *Member Booklet Supplement: Tax and super*, or the *Member Booklet* for income stream members, on our website.



Contact us

- Phone** 1300 650 873
Fax 1300 722 072
Email enquiries@firststatesuper.com.au
Web firststatesuper.com.au
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Wollongong NSW 2500

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5. Member and witness declarations and signatures

IMPORTANT!
You must sign and date this declaration in the presence of **two witnesses**, who must also sign and date the witness declarations **ON THE SAME DAY AS YOU**. The witnesses must be 18 years of age or older and must not be beneficiaries nominated on this form.

Member declaration

- I have read the information in this form and in the *Member Booklet Supplement: Nominating beneficiaries* and I understand the terms on which this nomination is made.
- This nomination will only be valid if the beneficiaries listed are my spouse, child, financial dependant, interdependent or legal personal representative of my estate when I die, and the nomination is signed by me in the presence of two witnesses who are 18 years of age or older and not listed as beneficiaries.
- I can amend this nomination by completing a new *Binding death benefit nomination* form.
- I can cancel my nomination by completing a *Binding death benefit cancellation* form.
- If this nomination is invalid or has not been received by First State Super when I die, the trustee will decide how my death benefit will be paid, guided by superannuation law.
- My beneficiaries and I will be bound by the provisions of First State Super's trust deed, and the trustee accepts no responsibility for the correct nomination of beneficiaries.
- If I have made this nomination as a Police Blue Ribbon Super or Ambulance Officers' Super member, I understand that this nomination will apply to my compulsory insurance account and any Police Blue Ribbon Super or Ambulance Officers' Super superannuation account I hold.
- I have read and understood the First State Super privacy policy.

Please sign and date form here.

Member signature

Date signed (DD-MM-YYYY)

This MUST be the same date that the form is witnessed

Only originals or certified copies of this form will be accepted.

Witness declarations

I declare that I am 18 years of age or older and this nomination was signed and dated by the member in my presence.

Witness 1

Name (print in BLOCK letters)

Signature

Date (DD-MM-YYYY)

This MUST be the same date that the form is signed by the member

Address

Suburb State Postcode

Witness 2

Name (print in BLOCK letters)

Signature

Date (DD-MM-YYYY)

This MUST be the same date that the form is signed by the member

Address

Suburb State Postcode

Send the form to this address.

6. Where to send your completed form

Return the completed form to **First State Super PO Box 1229 WOLLONGONG NSW 2500**. If you have any questions, please call us on **1300 650 873**.

Before you make a decision about making a death benefit nomination, you should read the current *Member Booklet Supplement: Nominating beneficiaries*. This supplement is available on our website or if you require a paper copy, please contact us and one will be mailed to you free of charge.

Only originals or certified copies of this form, without alteration, will be accepted. If you make a mistake, you should complete a new form. For the nomination to be valid, you must complete, sign and date this form correctly. The form must be signed and dated by two witnesses on the same date that you sign the form.

A binding nomination can only be cancelled by completing a *Binding death benefit cancellation* form and returning it to us.

How this nomination will apply to your accounts

This nomination only applies to the account shown in **Section 1 Your personal details***. If you have more than one account, you will need to complete a separate death benefit nomination form for each account. Other accounts could include additional super accounts, income stream accounts, or defined benefit (including deferred benefit) accounts. The appropriate forms are available on our website at firststatesuper.com.au/forms, and from customer service.

* If you are a Police Blue Ribbon Super or Ambulance Officers' Super member, this nomination will apply to your compulsory insurance account and any Police Blue Ribbon Super or Ambulance Officers' Super superannuation account you hold; you cannot make a separate nomination for each account. You can nominate either account number in **Section 1 Your personal details**.

Type of nomination

Lapsing and non-lapsing nominations

A binding nomination can be either lapsing or non-lapsing. A lapsing binding death benefit nomination is valid for up to three years from the day after the date it was first signed, or last confirmed or amended. For the nomination to remain valid, you must confirm the nomination in writing every three years before the three-year period expires. We will send you a renewal notice shortly before the three-year expiry date so you can confirm your nomination. You must sign and date the confirmation but it does not need to be witnessed.

A non-lapsing binding death benefit nomination does not expire, so it does not need to be confirmed every three years. However, we will still send you a courtesy letter every three years to give you an opportunity to update the details of your nomination.

Details of beneficiaries

For your nomination to be valid, the people you may nominate under a binding nomination must be one or more of the following at the time of your death:

- your spouse or de facto spouse (whether of the same sex or a different sex)
- your children, including step, adopted and ex-nuptial children
- any person(s) financially dependent on you
- a person in an interdependency relationship with you
- your legal personal representative – the executor or administrator of your estate.

The total of your nominations (whether you make one or more nominations) **MUST** add up to 100%. Your nomination(s) will be invalid if the total is not 100%. No decimals are allowed. If, for example, you want to split your death benefit into thirds, you should round the split to the nearest whole percentage e.g. 33%, 33% and 34%.

You should ensure that you review your nomination when your personal circumstances change.

Member and witness declarations and signatures

You must sign and date this declaration in the presence of two witnesses, who must also sign and date the witness declarations **ON THE SAME DAY AS YOU**. The witnesses must be 18 years of age or older and must not be beneficiaries nominated on this form.