

What is a death benefit nomination?

If you pass away, superannuation does not automatically form part of your estate. Depending on your super fund, the trustee will either pay your death benefit to your estate or use its discretion to decide who will be the beneficiaries unless you complete a binding death benefit nomination, that is valid when you pass away.

Completing a valid nomination allows you to choose your beneficiaries, instead of leaving the choice to your fund's trustee.

Who can you nominate?

Under superannuation law, you can nominate:

- Your spouse or de-facto spouse, including same sex partners.
- Children including step and adopted children, children of your spouse and other children within the meaning of the Family Law Act 1975.
- Individuals who were financially dependent on you at the time of your death.
- Someone in an interdependency relationship with you. This is a close personal relationship between two people who live together (or living separately due to disability) where one or both provide financial support, domestic support and personal care.
- Your estate (by nominating your legal personal representative - ie the executor of your will or person(s) granted letters of administration if no valid will).

Why can't you nominate other family or friends?

The law only allows you to nominate someone who fits one of these beneficiary categories. However, if you nominate your estate, you can direct benefits to be paid to friends or other family members through the instructions in your will.

Types of Nominations

Binding nomination

If the nomination is valid at the time of your death it is binding on the Trustee. This ensures that your superannuation benefits are paid as you have directed. Nominations generally need to be renewed at least every three years, unless your fund allows a non-lapsing nomination which (if validly made) remains current until you cancel or change it.

Non-binding

You can nominate your preferred beneficiaries, but the decision is still subject to Trustee discretion.

No nomination

If no nomination is made, the Trustee has full discretion to decide who will receive your superannuation benefits.

If trustee discretion applies, your superannuation benefits could be paid to someone other than your preferred beneficiary. Other potential beneficiaries could also lodge an appeal with the Australian Financial Complaints Authority (AFCA). Some superannuation funds have specific clauses in their trust deed stipulating to whom the death benefit will be paid in the event of no valid nomination from the member.

Where can you check your beneficiary nomination?

Your beneficiary nomination details typically will be confirmed each year in your Annual Statement and you may also be able to view your statement on your superannuation fund's website.

What do you need to do?

If you'd like to make a nomination or change an existing nomination, please read your superannuation fund's nomination of beneficiary form carefully then complete the form and send it back to your superannuation plan. Before you do, please ensure that you and the witnesses initial and date any mistakes otherwise the form will be invalid.

If you have a self-managed fund, you can also make a binding nomination in accordance with the rules in the trust deed.

Nomination of beneficiary forms can typically be downloaded from your superannuation fund's website or you may have received a copy in your superannuation fund's welcome pack. You should regularly review your nomination to make sure it reflects your wishes and personal circumstances.

It is important to follow the instructions on the Nomination of beneficiary forms precisely, which includes having the form correctly witnessed at the time it is signed. If a nomination is challenged by a potential beneficiary after death and is found by the Trustee to be invalid, your money may not reach the intended recipient.

Taxation

The taxation rules relating to death benefits are complex and different taxation treatments may apply depending on who receives your superannuation benefit. Please seek advice from your tax adviser.

Our services



Health

- Health insurance
- Overseas visitors cover
- Dental services
- Chronic disease management
- Hospital in the home



Wealth

- Investments
- Estate planning
- Trust and estate administration services
- Financial planning
- Investment, education and funeral bonds
- Banking and home loans
- General insurance



Living

- Aged care and accommodation
- Personal and business insurance
- Aboriginal home care
- Disability services
- Retirement communities



1300 700 189



australianunity.com.au/wealth