

Death benefit nomination fact sheet

This fact sheet provides an overview of death benefit nominations in your super account.

Log in to submit your death benefit nomination

Logging in to your account is the quickest and easiest way to submit your death benefit nomination. You can register for access and log in at www.ioofonline.com.au.

What is a *binding* death benefit nomination?

A binding death benefit nomination means the Trustee of your super fund must pay your death benefits to the eligible nominated dependants and/or Legal Personal Representative in the proportion (%) you nominate.

There are two types of binding death benefit nominations:

- **Lapsing binding:** nominations are valid for three years and if not renewed the Trustee will use its discretion to determine who your benefit will be paid to.
- **Non-lapsing binding:** nominations are enduring and don't expire. Nominations remain in place unless revoked or amended. If your nomination is not valid for any reason at the date of your death, the Trustee will use its discretion to determine who your benefit will be paid to.

Both lapsing and non-lapsing binding nominations only apply to the account specified in the nomination.

What is a *non-binding* death benefit nomination?

A non-binding death benefit nomination means the Trustee of your super fund is not legally bound to pay your death benefit according to your nomination instructions. The Trustee will take into account your nomination, but has discretion over who your benefits will be paid to. This means, for example, that your benefits could be paid to an eligible dependant who is not listed on your non-binding nomination.

Who can I nominate?

For both binding and non-binding nominations, you can nominate dependants as defined under superannuation law and/or your Legal Personal Representative (see below).

Dependants

- your **spouse** (including de facto)
- **children** of any age, including step-children, adopted or children from previous relationships
- someone who is **financially dependent** on you at the date of your death
- someone in an **interdependency relationship** with you (ie living with you and one or both provide the other with financial, domestic and personal support) at the date of your death.

Legal Personal Representative

- your death benefit will be paid according to your estate, ie will be distributed as part of your Will (or as per laws of intestacy if you do not have a Will).

How long does my benefit nomination last?

Non-lapsing binding nominations are enduring and remain in place unless revoked or amended.

Binding death benefit nominations are only valid for three years but can be renewed. We'll send you a reminder when it's time to renew. If you don't renew, the Trustee will use its discretion to determine who your benefit will be paid to.

Non-binding death benefit nominations don't expire.

Can I change or cancel my death benefit nominations?

You can amend or revoke (remove) your nomination at any time by completing a new nomination form, or by logging into your account. If you're making or replacing an existing lapsing binding beneficiary, you'll need to have two witnesses sign and date the form.

If your circumstances change (eg by marriage, birth of a child or divorce), you should review your beneficiaries to reflect your current situation.

How is my death benefit taxed?

Your death benefit is tax free if paid to a tax dependant as a lump sum. The definition of tax dependant is a separate definition than the dependants you can nominate and covers:

- your **spouse** (including de facto)
- a **child under 18 years old**
- someone in an **interdependency relationship** with you
- someone **financially dependent** on you.

If your death benefit is paid to a non-tax dependant (eg a non-dependent child over age 18), tax of 15% plus Medicare levy applies on the taxable component of your super. Additional taxes apply if your death benefit includes insurance. If your death benefit is paid to your Legal Personal Representative, the benefit will be taxed as part of your estate. However any amount distributed to a tax dependant will be tax free and the balance will be taxed at 15% on the taxable component (or higher if there is insurance).

Certain dependants, such as a spouse, can start a death benefit pension instead of taking a lump sum. If both the deceased and the beneficiary are under age 60, the taxable portion of the pension is taxed as income in the hands of the dependant, and they will receive a 15% rebate to reduce the tax payable on this income.

Log in to submit your death benefit nomination

Logging in to your account is the quickest and easiest way to submit your death benefit nomination.

You will be directed to download and print the form and upload it. For lapsing binding nominations you will need to have two people witness the form. If you've made a new lapsing binding nomination online, you can renew it in the future without needing witness signatures or having to submit a new paper form.

Financial advice

We recommend considering financial advice before making any nomination, as there may be estate planning, taxation and other implications to consider.

For more information on death benefit payments please refer to the General Reference Guide, available online.

Returning your form

If using one of our paper based forms, you can return your form by email to clientfirst@ioof.com.au or by post to ClientFirst GPO Box 264 Melbourne Vic 3001. We'll send you written confirmation when we've processed your form.

Additional information for protected members

A protected member is a member of the Fund who is, or becomes, subject to a court order for the guardianship, administration and management of their estate.

As a protected member, your affairs will be managed by a guardian or private manager who will have been appointed to manage and protect your estate.

If you do not have a valid binding nomination in place at the time of your death, the Trustee will pay your death benefit to your legal personal representative (i.e. your estate).

For further information please refer to the **General Reference Guide**.

We're here to help. Call us on 1800 913 118, or email clientfirst@ioof.com.au

General advice warning

The information in this fact sheet is of a general nature only and does not take into account your individual objectives financial situation or needs. Before making any nomination, you should consider the appropriateness of the information having regard to your personal objectives, financial situation or needs.