

Applying for a payment after a member dies

If you're applying for a payment following the death of a family member or loved one, we understand you're likely to be upset and anxious about your circumstances. We can help you with the process of applying for a death payment, which can appear complex if you're unsure about superannuation entitlements.

This fact sheet will help explain:

- › what's payable after the death of a member
- › who can apply for a death payment, and
- › what happens when you apply for a death payment.

What's payable after a member has died?

Following the death of an AustralianSuper member, the amount payable may be made up of:

- › the account balance of the deceased member's super. This may include contributions made by the employer or member, and any amounts rolled over from other funds (less any appropriate charges and taxes), and
- › any insurance amount which may be payable, the amount of which depends on the member's level of insurance cover with AustralianSuper and their age at the time of death.

If the deceased member didn't have insurance cover with AustralianSuper, the amount payable will be made up of the member's account balance only.

Who can apply for a death payment?

There are very strict guidelines and laws* that AustralianSuper has to follow when paying out a super account following the death of a member. These generally limit who can receive this payment to a dependant of the deceased member, or the deceased member's Legal Personal Representative.

Who are dependants?

When a super fund is considering making a death payment, the term 'dependant' usually means one or more of the following people:

- › The spouse of the member (including a de facto spouse).
- › Any child of the member – including any step child, adopted child, adult child or child born after the member's death.
- › Any person who AustralianSuper considers to have been wholly or partially financially dependent on the member at the time of death.
 - Being financially dependent doesn't necessarily mean that you depended on the deceased totally for financial support. You may claim as a dependant even if you were only partially financially dependent on the deceased. Examples of financial dependency may include you being reliant on the deceased for payments of bills, rent, maintenance payments or shared financial commitments such as a mortgage.
- › Any person who AustralianSuper considers to have been in an 'interdependent relationship' with the member at the time of death. An interdependent relationship is defined as two people who:
 - have a close personal relationship, live together on a long term or permanent basis, one or each of them provides the other with financial support, and one or each of them provides the other with domestic support and personal care (of a level normally provided in a close personal relationship rather than by a mere friend, flatmate or carer), or
 - if they don't meet the above criteria it's because they are temporarily living apart or one or both of them suffer from a disability.

While AustralianSuper will work as quickly as possible to process applications for death payments, it's important to understand that the process can become complicated and may take some time before a decision is reached. Your case manager will be able to help keep you up to date on what stage your application is at.



* AustralianSuper can only pay a death payment as permitted by the Superannuation Industry (Supervision) Act 1993 (the SIS Act), the Commonwealth legislation that governs super, and AustralianSuper's Trust Deed (the legal document which sets out the rules governing the Fund) and the Income Tax Assessment Act 1997.

Who is a Legal Personal Representative?

Generally, the Legal Personal Representative is the executor of the Will or, if the deceased didn't have a Will, the administrator of the deceased's estate.

The administrator of the estate will be the person who has been granted Letters of Administration from the Supreme Court.

What if you're a nominated beneficiary?

If you're a nominated beneficiary, it means the member has told AustralianSuper that they would prefer that you receive an amount payable when they die. AustralianSuper is legally responsible for deciding who to make payments to after the death of a member and must follow the laws about this.

So while AustralianSuper will consider all nominated beneficiaries, we're not bound by them if we decide we have an obligation under AustralianSuper's Trust Deed to pay someone else.

Tax treatment

The table below shows how the taxable component of a death payment may be taxed.

Paid to	Is tax payable?
Tax on death payment (lump sum)	
Dependant including: › surviving spouse or de facto › former spouse or de facto › a child (under 18) of the deceased › any person financially dependent on the deceased at the time of death › any person in an interdependent relationship with the deceased at the time of death.	No.
Trustee of the deceased estate where beneficiaries are dependants of the deceased	No.
Non-dependant of the deceased	Yes. The taxable portion will be taxed at 17% and any untaxed element will be taxed at 32%. If the tax file number of the non-dependant is not provided, tax will be paid at the highest marginal tax rate (plus the Medicare levy).
Tax on death payment (income stream)	
Dependant: › aged 60 or over	No.
› under the age of 60	No, not when the deceased is aged 60 or over. Yes, when the deceased is aged under 60. In that case the income is taxed at marginal rates less a 15% offset. Once the beneficiary turns age 60, the benefit will become tax-free.
› child of the deceased under 25	No. The benefit must be paid as a lump sum (tax free) on the beneficiary turning 25.
› a non-financial dependant	Must be paid as a lump sum and cannot be received as an income stream, see above table for tax payable.

* These figures include the Medicare levy.

Please note in the Tax Act, the meaning of the term 'dependant' is slightly different to the meaning in SIS. The Tax Act does not count a child over 18 as a dependant whereas SIS classifies any child of the member as a dependant. It is also possible that you may be considered a 'financial dependant' under SIS and not under the Tax Act.

Your case manager

When you contact us to tell us you want to apply for a death payment, you'll be assigned a case manager. The role of your case manager is to help you understand the process and to look after the claim from start to finish. Your case manager will work with you to make sure we receive all the required information so that your application can be processed as smoothly as possible. If you're unable to contact your case manager directly, please call AustralianSuper on **1300 667 387**.

Binding nominations

Binding nominations are different to being a preferred nominated beneficiary. Members can make binding nominations for their super accounts to be paid to one or many of their dependants or their Legal Personal Representatives. A binding nomination means that AustralianSuper must pay the people nominated, as long as they qualify as legal dependants or the deceased member's Legal Personal Representative.

Additional facts about death payments

It's important to note that:

- › A death payment does not form part of a deceased estate and is not necessarily paid as part of the Will.
- › It can't be used to pay debts as part of the estate, or funeral costs.
- › Any insurance amount payable forms part of the total amount to be paid.

What happens when you apply for a death payment?

The steps below detail what's involved in applying for a death payment and the process AustralianSuper follows to make a decision about who is eligible to receive the payment.



1. Contact us

If you wish to apply for a death payment, please call us on **1300 667 387**. We'll take you through some questions to check whether you're eligible to apply. Then, we'll send you the right forms and a letter detailing the information you'll need to provide us so we can start processing your application. The letter will provide you with your case manager's contact details, give you an estimate of the deceased member's account balance and confirm whether the deceased had insurance cover.

You'll need to provide us with certified copies of the following documents.

About the deceased:

- › the deceased member's full death certificate (or if not yet available, the interim death certificate)
- › the deceased member's passport, driver's licence or birth certificate*
- › the Will (if there is one)
- › Probate of the Will (if applicable), and
- › Letters of Administration (if applicable).

About the person applying for payment:

- › proof of identity, for example a passport or driver's licence
- › if you're an Australian citizen, AustralianSuper can identify you electronically or, you can have your ID certified. Please discuss with your case manager if you would like to electronically verify your ID.
- › proof of relationship with the deceased, for example a marriage certificate or birth certificate
- › evidence of financial dependence
- › copies of statements from bank accounts/loans, and
- › copies of any documents in relation to financial settlement as a result of divorce or separation, including child support where applicable.

If the deceased had no dependants, AustralianSuper may ask for Probate of the Will or Letters of Administration to be provided. Probate is needed so the deceased's executors can deal with the deceased's estate under the terms of their Will. Letters of Administration are needed so the Legal Personal Representative can deal with the deceased's estate when there is no Will.

When Probate or Letters of Administration are needed, AustralianSuper can't make any death payments until these documents are received. We'll let you know if we need you to supply these documents.

How to get your documents certified

A certified copy of a document is one that's been verified by an authorised person as being a true and correct copy of the original. Follow these steps to get your documents certified.

Go to your local police station

Take both the ORIGINAL and a photocopy of your CURRENT driver's licence or passport and the other documents needed to your local police station. If you are using your driver's licence, you'll need to photocopy BOTH sides.

Ask them to certify your ID

To certify your documents, the authorised person needs to compare the photocopy to the ORIGINAL and include the following details on the copy:

- › stamp or write 'This is a true and correct copy of the original'
- › their qualification (such as police officer)
- › their name
- › their address and phone number, and
- › their signature and the date it was signed.

While you're there

Police can witness statutory declarations and can witness you signing your forms.

Other places to certify documents

If you can't get to a police station, there are a number of other people who can certify your documents for you. These include dentists, vets, bank branch managers, accountants, teachers and pharmacists.

* If name does not match the death certificate, you'll also need to provide proof of name change, for example a marriage certificate.

2. AustralianSuper decides who to pay

Once you've returned your completed forms and certified documents to your case manager, AustralianSuper will consider who to make the death payment to. To make this decision, AustralianSuper has to:

- › identify the deceased member's dependants (as defined on page 1)
- › look at their relationship with the deceased member and to what extent they were financially dependent or interdependent at the time the member died, and
- › confirm the validity of any binding nominations.

AustralianSuper does this by:

- › considering the information provided by the deceased member's dependants or the Legal Personal Representative
- › checking the member's Will, if there is one, and
- › considering the position of any nominated beneficiaries.

AustralianSuper has to take into account the circumstances of each applicant at the time the member died to make sure the appropriate person receives the payment.

Generally the parents of a deceased member or other family members such as brothers, sisters, nieces or nephews would not qualify as a dependant of the deceased member unless they're able to prove to AustralianSuper that they were financially dependent on the deceased or in an interdependent relationship at the time of death.

Insurance cover

If the member had insurance cover, AustralianSuper will lodge the claim with its Insurer. If an insurance amount is to be paid, it will be paid together with the account balance at the time the death payment is made.

3. AustralianSuper lets you know the decision

When AustralianSuper decides who to pay, we'll write to all the applicants to let them know who'll receive payment, and how the payment will be divided if it's being paid to more than one person.

Once this information is received, applicants have 28 days to respond and confirm with AustralianSuper that they are satisfied with the decision or want us to review it.

4. If you disagree with the decision

If you disagree with the decision or want the decision reviewed, you may request in writing that AustralianSuper reviews the decision. AustralianSuper must review the decision if requested and may ask applicants to provide more information to help with the review. Generally, no portion of the death payment will be paid until all issues have been resolved.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA), which provides fair and independent financial services complaint resolution that is free to Fund members.

Website: www.afca.org.au

Email: info@afca.org.au

Telephone: **1800 931 678** (free call)

AFCA, GPO Box 3, Melbourne VIC 3001

5. Payment is made

If AustralianSuper has decided and confirmed that you'll receive payment, we'll contact you to give you your payment options. You can choose to receive your payment electronically or by cheque. You'll then receive documents explaining how the payment has been calculated, showing any tax deductions or any special conditions that apply.

AustralianSuper's responsibility

When one of our members dies, we have a responsibility to pay out the member's account balance to the person or people entitled to it. AustralianSuper decides who to pay by following legislative guidelines and the AustralianSuper Trust Deed. It must decide who receives a payment within strict legal guidelines even if the decision is an unpopular one.



Contact us

Call **1300 667 387**
(8:30am to 5pm AEST/AEDT weekdays)

Email claims@australiansuper.com

Web australiansuper.com

Mail AustralianSuper Insurance
GPO Box 1901, MELBOURNE VIC 3001



This fact sheet was issued in October 2018 by AustralianSuper Pty Ltd ABN 94 006 457 987 AFSL 233788, Trustee of AustralianSuper ABN 65 714 394 898, and is a summary of the main features of insurance cover for AustralianSuper members. Further details are available in the *Insurance in your super* guide. Benefits will only be paid in accordance with the Trust Deed and Rules of AustralianSuper and the Group Life Policy in force at the relevant time. Before making a decision about AustralianSuper, consider your financial requirements and read the Product Disclosure Statement, available at australiansuper.com/pds or by calling **1300 300 273**. AustralianSuper MySuper Authorisation 65 714 394 898 487.