

Superannuation in Australia is intended to provide income in your retirement, or in the event of your death, for your dependants. It is important that you consider who you would like to nominate as a beneficiary of your superannuation in the event of your death. You are encouraged to revise your nomination and advise the Fund in writing each time your circumstances change, e.g. on marriage, divorce or bereavement.

To whom can a death benefit be paid?

Death benefits can generally only be paid to your Dependants or Legal Personal Representative. Effective from 1 July 2008 the definition of dependant has been broadened to include same sex partners. Similarly the definition of child has been broadened to include children of same sex partners. For this purpose, these terms mean:

A dependant includes:

- A spouse (including de facto spouse or same sex partner – see full explanation below);
- Child
- Any person with whom you have an interdependency relationship.

Spouse of a person includes:

- (a) another person (whether of the same or a different sex) with whom the person is in a relationship that is registered under a law of a State or Territory; and
- (b) another person who, although not legally married to the person, lives with the person on a genuine domestic basis in a relationship as a couple.

Child, in relation to a person, includes:

- (a) an adopted child, step-child, or an ex-nuptial child of the person; and
- (b) a child of the person's spouse; and
- (c) someone who is a child of the person within the meaning of the Family Law Act 1975.

An **interdependency relationship** is one in which two people:

- Have a close personal relationship; and
- Live together; and
- 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

Interdependency can also arise between two people if they have a close personal relationship but are unable to satisfy the other requirements because either or both of them suffer from a physical, intellectual or psychiatric disability.

Legal Personal Representative means:

An executor or administrator of your estate, the Trustee of your estate if you are under legal disability, or a person who holds a general power of attorney granted by you.

Nominating a beneficiary

Your nomination of beneficiary can either be a preferred nomination or a binding nomination.

A **preferred beneficiary** is NOT BINDING upon the Trustee of the Fund. However, the Trustee will refer to your nomination of beneficiary and your will in determining to whom your benefits will be paid in the event of your death. You may advise the Fund of your preferred beneficiary at any time by completing a 'Change of Details' form.

A **binding nomination of beneficiary** is binding on the Trustee of the Fund provided the binding nomination is valid. For a binding nomination to be valid the beneficiary must be your Legal Personal Representative or a Dependant. The nomination must be signed by 2 witnesses who are at least 18 years of age and are not nominated as beneficiaries. The nomination must have been made or affirmed within the past 3 years.

NOMINATING A BENEFICIARY FACT SHEET



Should your binding nomination expire, being more than 3 years since you made the nomination, the Trustee will use your nomination of beneficiary as guide when determining to whom your benefit will be paid in the event of your death, however, it will no longer be binding on the Trustee.

You may choose to confirm, amend or revoke the notice at any time. Nominations, amendments or cancellations can only be accepted on a form which is approved by the Trustee. A 'Binding Death Nomination of Beneficiaries' form is an approved form. Forms can be downloaded from the website at www.specsuper.com.

SPEC Super members commencing an account based pension also have the option of nominating a reversionary beneficiary.

Reversionary beneficiary

A reversionary beneficiary will continue to receive your pension payments after your death or they can commute their pension and be paid a lump sum benefit. A reversionary beneficiary must be a dependant.

Please note that if you nominate a child as a reversionary beneficiary, the child must be less than 18, or financially dependent and less than 25, or disabled.

You can only nominate a reversionary beneficiary when you commence your SPEC Super Account Based Pension. If you want to change your reversionary beneficiary at a later date you will need to cancel the pension and purchase a new pension. However, your nomination will lapse on divorce or death of the reversionary beneficiary.

For more information about nominating a beneficiary, please call SPEC Super on 1300 366 648.

The information provided by SPEC Super is of a general nature and does not take into account your individual financial situation, objectives or needs. If you require such specific advice, you should contact a licensed financial adviser. Because of the appropriateness of the advice, having regard to your objectives, financial situation and needs. You should obtain a Product Disclosure Statement (PDS) and consider the PDS before making any decision.

