make your dreams
more than dreams

sunsuper

June 2016

Nominating a beneficiary
Who will inherit your super?

We know it's not the easiest subject to think about, but have you ever considered who will inherit your super and life insurance if you die before you retire? It's important to nominate who you want your benefits to go to otherwise they may not get to the person, or people, you intended.

What will happen to your super?

In the event of your death, the Sunsuper Trustee is required to pay your super to your beneficiary - i.e. the person or people to whom you would like to leave your super and life insurance - or where there is no eligible beneficiary, any person who has a fair claim. As a Sunsuper member you can complete either:

- a preferred beneficiary nomination – which acts as a guide for the Trustee in deciding how to pay your super as a death benefit, or
- a binding death benefit nomination - which 'binds' the Trustee to pay your super as a death benefit to the nominated beneficiary.

Nominating a beneficiary ensures the Sunsuper Trustee is aware of your wishes. If you do not nominate a beneficiary or your nomination is invalid, the Trustee will look for an eligible beneficiary.

Who is eligible to inherit your super?

Your beneficiary can be:

- your dependant (any spouse, any child, any person in an 'interdependent relationship' with you or any other person who the Trustee considers was dependent on you for maintenance or support, at the date of your death),
- your legal personal representative (the executor or administrator of your estate), or
- a combination of the two.

When considering your nomination, it is important to understand how payments will be made to the different types of beneficiaries.

Where the beneficiary is:

- a dependant – the death benefit is paid directly to the person and does not form part of your estate (it is excluded from family provision claims under relevant state or territory legislation and from claims by any creditors of the estate),
- a legal personal representative – the death benefit is paid directly to your estate and is subject to your Will.

An "interdependent relationship" can exist with someone:

- you have a close personal relationship with,
- you live with
- who provides financial support to or get financial support from, and,
- you provide with or get domestic support and personal care from.

Dependency can also arise if two people have a close personal relationship but don't live together or provide each other with financial support or personal care because of physical, intellectual, or psychiatric disability.

Can I leave my super and life insurance benefits to my parents?

Generally, your parents are not considered to be dependants. If you want your death benefit to go to your parents, you should seek professional advice about arranging for your Will to cater for this.

Is there a difference between leaving my benefits directly to a dependant or legal representative?

Yes. As mentioned above, if your death benefit is paid directly to one of more of your dependants, it does not form part of your estate. On the other hand, if you nominate your super to go to a legal personal representative, it will form part of your estate.

When you die your estate will be divided and distributed according to the terms of your Will or if you have no valid Will, the intestacy laws of the state in which you lived. All parts of

Sunsuper Pty Ltd
ABN 88 010 720 840
AFSL No. 228975

Sunsuper Superannuation Fund
ABN 98 503 137 921
USI 98 503 137 921 001

13 11 84
GPO Box 2924 Brisbane QLD 4001
sunsuper.com.au
twitter.com/sunsuper
facebook.com/sunsuper

your estate, including benefits from your super, can be subject to family provision claims and claims from anyone to whom you owe money. However, items that are not part of your estate are not subject to these claims.

Basically, this means that if you leave your benefits directly to one or more dependents, it will be distributed directly to them. If you leave your super to a legal personal representative, it will form part of your estate and upon distribution may be used to pay any claims made on your estate.

Is the Sunsuper trustee bound by your nomination?

Preferred beneficiary: No. In most cases, Sunsuper will pay your benefits to your preferred beneficiary - but the Sunsuper trustee is responsible for ensuring your benefits are distributed in the most appropriate manner.

Your nomination may be reviewed, for example, if at the time of your death, it is no longer up-to-date, or you have dependants not nominated as beneficiaries who may have a claim to your super.

Binding beneficiary: Yes. If you make a binding death benefit nomination, the Trustee has no discretion in relation to whom the benefit is paid, provided the nomination form is valid and less than three years old. (See our *Binding death nomination* fact sheet on our website at sunsuper.com.au for more information.)

How do I make a nomination?

You can make a preferred beneficiary nomination on your Member application form, by logging on to Member Online or by completing a Change of details form. To make a binding death benefit nomination, you just need to complete the *Binding death benefit nomination* form which you can download from our website at sunsuper.com.au

Can I change my nomination?

Yes. You can change your nomination at any time.

- Preferred beneficiary – by logging on to Member Online or by completing a *Change of details* form.
- Binding beneficiary – by completing a new *Binding death benefit nomination* form.

Your current nominated beneficiaries are listed on your Annual statement every year. You should take this opportunity to review your nomination to ensure it reflects any changes in your personal situation. For copies of the *Change of details* form or the *Binding death benefit nomination* form, visit sunsuper.com.au, or call **13 11 84**.

Sunsuper can provide you with the help and advice you need, whether you have a simple question or would like to consider your total financial situation. Our qualified financial planners[1] can answer most of your questions about your Sunsuper account simply and quickly over the phone. If it's something more complex, you can arrange a meeting with a financial planner. Our planners can give you advice on many aspects of your finances–not just your Sunsuper account.

[1]Our qualified financial planners provide simple advice about super at no additional cost. More detailed advice, including that provided as part of the *SunTracker* program, may incur a fee. Sunsuper employees provide advice as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818, AFSL No. 227867), wholly owned by the Sunsuper Superannuation Fund.