

Superannuation & Pensions

For most Australians, superannuation is the biggest asset in their estate.

For many people their super balance is substantial, and it's often one of the largest things they own. And when you die, it doesn't automatically go to your estate. It goes to whoever you've nominated as your beneficiary.

If you haven't nominated anyone, the super fund trustees decide. And they might not choose the people you would have chosen.

This section is about making sure your super goes to the right people, and making sure your executor knows how to claim it.

How does super work when you die?

When you die, your super fund pays a death benefit. This can be paid as:

- A lump sum (one-off payment)
- A pension to a dependant (ongoing payments)
- Or a combination of both

Who can receive your super death benefit?

Not everyone can receive your super. Under super law it can generally only go to one of a limited group of people, which usually includes:

- Your spouse or de facto partner
- Your children (including adult children)
- Someone who was financially dependent on you
- Someone in an interdependency relationship with you
- Your estate (which then distributes it according to your Will)

Super law limits who a fund can pay a death benefit to directly, which is usually close family or people who depended on you, with anyone else generally only receiving it through your estate. The exact rules are detailed and fact-specific, so check with your super fund or adviser what applies to you.

Binding vs non-binding nominations:

You have two options for nominating who gets your super:

Binding nomination: You legally direct the super fund to pay your death benefit to specific people in specific percentages. The fund must follow your instructions. This gives you control.

Non-binding nomination: You suggest who should get your death benefit, but the super fund trustees make the final decision. They'll usually follow your wishes, but they don't have to.

For many people a binding nomination is worth considering, because it gives the super fund clear instructions rather than leaving the decision to the trustees. It is not a guarantee in every case, so it is worth checking with your super fund or adviser what suits your situation.

Here is something many people miss: in a lot of super funds a binding nomination lapses after three years, though some funds offer non-lapsing ones. If you made a binding nomination a few years ago and never renewed it, it may have expired and reverted to non-binding (or lapsed altogether). Check with your fund.

Check the date of your nomination. If it is more than a few years old, contact your super fund to confirm whether it is still valid and whether it needs renewing.

What if you're receiving a pension from your super?

If you have retired and you are already drawing a pension from your super (also called an account-based pension or allocated pension), it can transfer to your spouse when you die, but usually only if you have set them up as a reversionary beneficiary. Check whether you have done this with your fund.

If you don't have a spouse, the remaining balance is paid as a lump sum to your nominated beneficiaries or your estate.

Include the details here so your executor knows what's happening.

What about government pensions?

Centrelink payments generally stop when you die, and your executor will need to notify Centrelink. In

some cases payments made after your death may need to be repaid, and in others (like bereavement provisions for a partner) different rules apply, so your executor should confirm the exact position with Centrelink. Your executor should contact Centrelink to confirm what applies.

The Age Pension is not an asset - it's just income while you're alive. But include it here so your executor knows to cancel it.

WHY THIS MATTERS

Super is often the largest asset in an estate. And it's the asset most likely to be misdirected or delayed because people don't understand how it works.

If you have a binding nomination and your executor knows where to find it, your super will be paid quickly and correctly.

If you don't, your family could wait months (or even years) while the super fund decides what to do.

Get this right. It's worth it.

Your Superannuation & Pensions

Your super is often your biggest asset, and it does not pass through your Will. Make sure it goes where you intend.

SUPER FUND 1

FUND NAME	MEMBER NUMBER
APPROXIMATE BALANCE	CONTACT PHONE
ACCOUNT TYPE	

FUND 1: DEATH BENEFIT NOMINATION

Binding / Non-binding / None. Binding nominations expire after 3 years in most funds.

NOMINATION TYPE	DATE NOMINATION MADE
BENEFICIARY 1 NAME	RELATIONSHIP / %
BENEFICIARY 2 NAME	RELATIONSHIP / %
BENEFICIARY 3 NAME	RELATIONSHIP / %
NOMINATION FORM STORED AT	

Your Superannuation & Pensions (cont.)

FUND 1: INSURANCE THROUGH SUPER

LIFE INSURANCE

TPD INSURANCE

INCOME PROTECTION

SUPER FUND 2

FUND NAME

MEMBER NUMBER

APPROXIMATE BALANCE

CONTACT PHONE

ACCOUNT TYPE

FUND 2: DEATH BENEFIT NOMINATION

NOMINATION TYPE

DATE NOMINATION MADE

BENEFICIARY 1 NAME

RELATIONSHIP / %

BENEFICIARY 2 NAME

RELATIONSHIP / %

Your Superannuation & Pensions (cont.)

BENEFICIARY 3 NAME

RELATIONSHIP / %

NOMINATION FORM STORED AT

FUND 2: INSURANCE THROUGH SUPER

LIFE INSURANCE

TPD INSURANCE

INCOME PROTECTION

SUPER FUND 3

FUND NAME

MEMBER NUMBER

APPROXIMATE BALANCE

CONTACT PHONE

NOMINATION TYPE

DATE NOMINATION MADE

BENEFICIARY 1 (NAME / %)

BENEFICIARY 2 (NAME / %)

Your Superannuation & Pensions (cont.)

SELF-MANAGED SUPER FUND (SMSF)

SMSF NAME	ABN
APPROXIMATE BALANCE	TRUSTEES
ACCOUNTANT NAME	ACCOUNTANT FIRM
ACCOUNTANT PHONE	SOLICITOR NAME
SOLICITOR PHONE	DEATH BENEFIT NOMINATION
BENEFICIARIES	TRUST DEED STORED AT
FINANCIAL RECORDS STORED AT	

ACCOUNT-BASED PENSION

If you are already drawing a pension from your super.

FUND NAME	PENSION ACCOUNT BALANCE
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Your Superannuation & Pensions (cont.)

ANNUAL PENSION AMOUNT

HOW OFTEN PAID

REVERSIONARY BENEFICIARY NAME

RELATIONSHIP

IF NO REVERSIONARY, BALANCE GOES TO

GOVERNMENT PENSION (CENTRELINK)

Your executor must notify Centrelink (132 300). Payments after death must be repaid.

TYPE OF PAYMENT

CENTRELINK REFERENCE NUMBER

FORTNIGHTLY AMOUNT

DEFINED BENEFIT PENSION

Common for public servants, teachers, police (e.g. CSS, PSS, State Super).

SCHEME NAME

MEMBER NUMBER

PENSION AMOUNT

REVERSIONARY BENEFICIARY NAME

CONTACT FOR SCHEME

Your Superannuation & Pensions (cont.)

NOTES: ANYTHING ELSE ABOUT YOUR SUPER OR PENSIONS