



Death benefits

What happens to your super on your death?

If you die while you have an account with First State Super, your super will be paid as a 'death benefit' to a single **beneficiary** or divided between multiple **beneficiaries**. The death benefit will be your account balance at the time of payment (including any insurance benefit received from the insurer, if applicable) less any applicable withdrawal fee and tax. Importantly, death benefits are taxed differently depending on the person who receives it.

When we receive satisfactory proof of death, your account balance will be transferred to the Cash investment option until paid out in accordance with the Fund's rules.

You can nominate a beneficiary to receive your super

You may nominate one or more of your **dependants** (see page 2 for definition of dependant) or your **legal personal representative** as the recipient of your super account in the event of your death. You can make your nomination either **binding** or **non-binding**.

Making a binding nomination

If you have a valid binding death benefit nomination in place at the time of your death, we will pay a lump sum to each of your nominated beneficiaries in the proportions you have directed.

If a person you nominate is a dependant at the time of your nomination, but is no longer a dependant at the time of your death or dies before you do, your binding nomination will no longer be valid and we are not required to pay your benefit according to your nomination. For this reason, it is important to review your nominations when your family circumstances change – marriages, divorces, births and deaths may change your preferences.

Your binding death benefit nomination:

- is only valid for a period of up to three years after the date of signature

- is invalid if one or more beneficiaries die or no longer meet the definition of 'dependant' at the time of your death
- is invalid if the nomination form is not completed correctly
- overrides any prior non-binding beneficiary nomination(s) (see below)
- overrides any prior binding death benefit nomination(s)
- can be updated by completing a new binding death benefit nomination
- can be renewed or cancelled at any time.

Making a non-binding nomination

You can make a non-binding nomination which sets out how you would prefer your death benefit to be paid. The Trustee retains absolute discretion in how the benefit is distributed on your death but will have regard to your nomination.

Who can you nominate?

Each person you nominate must be a **valid beneficiary** at the date of nomination **and** the date of your death. Only the following people are valid beneficiaries when you use either a **binding** or **non-binding** nomination:

Your spouse

- a person who is legally married to you, or
- a person (whether of the same sex or different sex) with whom you are in a relationship that is registered on a relationship register of a State or Territory, or
- a de facto spouse (whether of the same sex or a different sex)

Your children

- your spouse's children (see meaning of spouse above)
- adopted, step and ex-nuptial children
- your children within the *Family Law Act 1975* (eg children under surrogate arrangements).

Your other dependants

- a person whom the Trustee considers was financially dependent on you at the time of your death, or
- a person with whom you have an **interdependency relationship**, which means a person with whom you:
 - live, and
 - have a close personal relationship, and
 - provide financial support (or they provide financial support to you), and
 - provide domestic support and personal care (or they provide domestic support and personal care to you).

An interdependency relationship can also occur where two people have a close personal relationship, but the other requirements are not satisfied because either or both of them suffer from a physical, intellectual or psychiatric disability. In most cases, your parents and siblings are not considered to be your dependants, unless they are financially dependent on you or they are in an interdependency relationship with you.

Your legal personal representative

The executor or administrator of your estate. If you nominate a legal personal representative to receive your super benefit in the event of your death, the legal personal representative will distribute your benefit according to your will, even if the beneficiaries under your will are not dependants.

Anti-detriment payment on death benefits

Where the Trustee determines eligibility has been met, an anti-detriment payment may be added to a lump sum death benefit payment made to a member's dependant(s).

Tax file number (TFN) and death benefits

The fund must withhold tax at the highest marginal tax rate if a non-dependant beneficiary's TFN is not provided to the fund.

Tax on death benefits

The tax payable on death benefits depends on whether the beneficiary is a 'dependant' under the tax provisions. The table below outlines the tax treatment of lump sum death benefits paid to a dependant or non-dependant, defined under tax law.

Relationship to deceased member	Age	Tax-free component	Taxable component from a taxed source	Taxable component from an untaxed source
Dependant	Any age	Tax free	Tax free	Tax free
Non-dependant	Any age	Tax free	Taxed at 15% plus applicable statutory levies.	Taxed at 30% plus applicable statutory levies.

A payment made by the fund to the estate or legal personal representative (LPR) is paid as a tax-free lump sum. The LPR is responsible for withholding the appropriate tax from the amount payable to the end beneficiary. A dependant (for tax purposes) includes:

- a) your spouse or former spouse (including a de facto spouse same-sex or opposite-sex)
- b) your children below age 18
- c) a person with whom you had an interdependency relationship
- d) any other person who was financially dependent on you.



Contact information

Web: www.firststatesuper.com.au
 Phone: 1300 650 873
 Email: enquiries@firststatesuper.com.au

This document is of a general nature and does not take into account your specific objectives, financial situation or needs. Before making a decision about First State Super, consider your financial requirements and read the Product Disclosure Statement for the First State Super product you currently hold or are considering. The PDS is available from www.firststatesuper.com.au or by calling 1300 650 873. This document is issued by FSS Trustee Corporation (the Trustee) ABN 11 118 202 672 AFSL 293340 the trustee of the First State Superannuation Scheme ABN 53 226 460 365 (First State Super; the Fund). This document is dated 1 July 2011.

Death benefit nomination, update or cancellation

You should use this form if you want to:

- **Make** a new binding or non-binding death benefit nomination
- **Update** an existing binding or non-binding death benefit nomination
- **Cancel** (revoke) an existing binding or non-binding death benefit nomination.

For more information about nominating beneficiaries, please read the *Member Booklet Supplement: Death benefits*. This nomination does not apply to any income stream account that you may set up with First State Super. You must complete an *Income stream death benefit nomination, update or cancellation* form if you wish to nominate beneficiaries in respect of an income stream account.

NOTE: A valid **binding** death benefit nomination **binds** the Trustee to pay your death benefit according to your wishes. It provides **certainty** about who will receive your death benefit when you die. A **non-binding** death benefit nomination will be taken into consideration by the Trustee but the Trustee is **not bound** to follow this nomination and may exercise its own discretion when deciding who will receive the benefit in the event of your death.

The people you may nominate under a binding or non-binding nomination must be one or more of the following at the time the Trustee pays the benefit:

- your current spouse or de facto
- your children, including step, adopted and ex-nuptial children
- any person(s) financially dependent on you
- a person in an interdependency relationship with you
- your legal personal representative – the executor or administrator of your estate.

Refer to the **Explanatory notes** on page 6 for more information about completing this form.

Please print clearly in black ink.

1. Your personal details

Member number	Title (Mr Mrs Ms Miss Dr)	Male	Female	Birth date	(DD-MM-YYYY)
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="text"/>
Family name	<input type="text"/>				
Given name/s	<input type="text"/>				
Postal address	<input type="text"/>				
Suburb	<input type="text"/>	State	<input type="text"/>	Postcode	<input type="text"/>
Work or Home	Daytime contact telephone number	Mobile number			
<input type="text"/>	<input type="text"/>	<input type="text"/>			
Email address	<input type="text"/>				

6. Member declaration for new, updated and cancelled non-binding nominations

If you are making, updating or cancelling a non-binding death benefit nomination, please read this declaration then sign and date the declaration below.

- I have read and understand the information in the *Member Booklet Supplement: Death benefits*;
- I understand that in deciding who will receive my death benefit, the Trustee will take my non-binding death benefit nomination into consideration but is not bound to follow it;
- I understand that I can amend or cancel this non-binding death benefit nomination at any time by completing a new *Death benefit nomination, update or cancellation* form and returning it to First State Super;
- I understand that my beneficiaries and I will be bound by the provisions of First State Super's Trust Deed;
- I understand that First State Super accepts no responsibility for either the correct nomination of beneficiaries or the completion of this form.

Please sign and date this declaration.

Signature

Date (DD-MM-YYYY)

 - -

Privacy notice

The information you provide in this form is collected by and held for First State Super by the fund administrator, Pillar Administration, in accordance with the *National Privacy Principles* of the *Privacy Act 1988 (Cth)*. For further information about privacy, please phone Customer Service on 1300 650 873 or visit www.firststatesuper.com.au to view the Privacy Policy.



Return the completed form to First State Super PO Box 1229 WOLLONGONG NSW 2500

If you have any enquiries please call Customer Service on **1300 650 873** between 8:30 am and 5:30 pm AEST from Monday to Friday for the cost of a local call (unless calling from a mobile or pay phone).

Binding death benefit nominations

If you want **certainty** about who will receive your benefit when you die, you can make a binding death benefit nomination which (if valid and subject to superannuation law) **binds** the Trustee to pay your death benefit according to your wishes.

A binding death benefit nomination can affect your estate planning, so consider your options and circumstances carefully, and seek help from a licensed or authorised financial adviser before making or altering a binding death benefit nomination.

While you may nominate more than one person, the people you nominate must be one or more of the following at the time the Trustee pays the benefit:

- your current spouse or de facto
- your children, including step, adopted and ex-nuptial children
- any person(s) financially dependent on you
- a person in an interdependent relationship with you
- your legal personal representative – the executor or administrator of your estate.

A binding death benefit nomination must be signed by two witnesses, who are 18 years of age or older and not nominated as beneficiaries. The two witnesses must complete, sign and date the witness declaration on the same day that you complete, sign and date the member declaration.

Non-binding (preferred) death benefit nominations

The Trustee will take a non-binding or preferred death benefit nomination into consideration when deciding who your death benefit will be paid to, but the Trustee is **not bound** to follow this nomination. This means that if you have made a non-binding death benefit nomination, the Trustee may exercise its own discretion in determining the beneficiaries of any death benefit under First State Super's Trust Deed. The people you can nominate as beneficiaries under a non-binding death benefit nomination are the same as those for binding death benefit nominations.

To make a valid binding or non-binding nomination, you must:

- Make the nomination in writing, preferably using this form.
- Provide the full name(s), date(s) of birth and relationship to you of your nominated beneficiaries. If you wish to nominate your estate, please insert the percentage next to "To my legal personal representative as per my legal will" in Section 3.
- Clearly state the percentage of the benefit to be paid to each nominee (in whole numbers) and make sure the percentages add up to 100%. For example, if you split between 3 people, you may wish to show the percentages as 33%, 33% and 34%.
- Sign and date the nomination. If you are making, updating or cancelling a **binding** death benefit nomination, this **MUST** be done in the presence of two witnesses, who are 18 years of age or older and not nominated as beneficiaries. The two witnesses must complete and sign the witness declaration on the same day that you sign the form.
- Send the nomination to First State Super, PO Box 1229, Wollongong NSW 2500. It will only become effective once we receive it, and if all the above steps have been correctly completed.

Further information

If you need to make a more detailed nomination, please prepare a letter which meets the conditions listed above.

Please note:

- A new **binding** nomination will override any existing binding or non-binding death benefit nomination, provided your new binding nomination is signed by **two witnesses**.
- A new **non-binding** nomination will override any existing non-binding death benefit nomination. No witnesses are required.
- A new **non-binding** death benefit nomination will override an existing binding death benefit nomination, provided the cancellation of your existing binding nomination is signed by **two witnesses**.
- A binding death benefit nomination is valid for up to three years after the day it was first signed, or last confirmed or amended.
- An existing binding death benefit nomination can be confirmed by you at any time in writing (signed and dated), without the need to be witnessed.
- You can amend or cancel an existing binding or non-binding death benefit nomination by completing a new *Death benefit nomination, update or cancellation* form and sending it to First State Super.
- We will write to you to acknowledge receipt of any nominations, confirmations or changes you make. If your nomination is invalid at the time of payment of a death benefit, the Trustee may exercise its discretion in determining the beneficiaries of any death benefit.
- Please consider your options and circumstances carefully and seek help from a licensed or authorised financial adviser before making or altering a death benefit nomination.