

Your Super and You

NOMINATION OF BENEFICIARY FACTSHEET

While it may be a topic many people are reluctant to think about, it is important you determine who will benefit from your superannuation or pension if you die. There are a number of options you can choose from and different ways you can decide who will get what.

What happens to your funds after you die?

Upon your death, the Trustee of the Super Fund will pay out your super fund benefit, which may include insurance to one or more beneficiaries or to your Legal Personal Representative (estate). Upon notification of your death, your super funds will be transferred to the lowest risk investment strategy, generally being the Cash Investment Option.

Who can be a beneficiary?

<p>Who can receive your benefit in the event of your death?</p>	<p>You can nominate that your benefit is paid to:</p> <ul style="list-style-type: none"> ■ your estate. ■ nominated beneficiary(ies). ■ a combination of your nominated beneficiary(ies) and/or your Legal Personal Representative (LPR). ■ any beneficiary you nominate must be either your LPR (i.e. the executor or administrator of your estate) or a dependant at the date of your death.
<p>Who qualifies as a dependant?</p>	<p>A dependant may include a:</p> <ul style="list-style-type: none"> ■ spouse, including a de facto spouse and in some circumstances, a same sex partner*. ■ child, including an adopted child, step child, ex-nuptial child or child of a spouse. ■ person with whom you have an interdependency relationship (see below for definition). ■ financial dependant. <p>* Superannuation law may treat a same sex partner as a 'spouse'. For the Trustee to pay a same sex partner your death benefit, you and your partner must be in a registered relationship or they must be in an interdependent relationship with, or financially dependent on you at the date of your death.</p>
<p>What is an interdependency relationship?</p>	<ul style="list-style-type: none"> ■ An interdependency relationship is a close personal relationship between two people who live together, where one or both of them provide for the financial and domestic support and personal care of the other. An interdependency relationship may still exist if there is a close personal relationship but the other requirements are not satisfied because of some physical, intellectual or psychiatric disability. ■ The Trustee may also take other matters into account such as all the circumstances of the relationship as prescribed by law.
<p>Who is a non-financial dependant?</p>	<ul style="list-style-type: none"> ■ A non-financial dependant includes a child aged over 18 and who is not financially dependent or in an interdependent relationship. ■ Benefits paid upon your death to non-financial dependants (for tax purposes) must be paid as a lump sum and will usually be subject to tax when the benefit comes via your estate.

Nominating beneficiaries

As a member of Enterprise Plan, you have the following choices to specify what should happen to your benefit in the event of your death.

No Nomination

If you take no action, and do not make a nomination, the Trustee is bound to deal with your benefit in your best interests. When deciding on payment at your death, the Trustee will typically enquire about your family situation including dependants and provisions in your will before making a decision.

Non-binding death benefit nomination?

- Your non-binding death benefit nomination serves as a guide to the Trustee on your wishes regarding the payment of your super benefits on death. The Trustee will take into consideration any nomination you make, however, in this case, the Trustee has final discretion in deciding who will receive your superannuation benefit when you die, and is not bound to follow the nomination and may decide to pay all or part of the benefit to a different person.
- The Trustee will make a decision based on the circumstances of your nominated beneficiary or other claimants at the time of your death, as these may have changed since you completed the non-binding nomination.
- The non-binding nomination is valid for the entire term you are a member, unless another valid nomination (binding or non-binding) is lodged with the Trustee.
- It requires no witness signatures.
- It will not override a previous, valid binding nomination

Binding death benefit nomination

A binding death benefit nomination provides greater certainty on who benefits from your superannuation following your death. A binding death benefit nomination is a written direction to the Trustee that sets out the dependants and/or legal personal representative, as nominated by a member, to receive his/her benefit in the event of the member's death. When you make a valid binding nomination, you decide who receives your benefit when you die, and how much of the benefit they receive.

Binding nominations have an expiry date of three years from the date of the form and will remain valid until the expiry date or you revoke or amend your nomination. There can be advantages and disadvantages when choosing a binding death benefit nomination, and you may wish to obtain professional advice before taking up this option.

Ensuring your binding nomination is valid

Legislation is quite specific about the requirements for a binding death nomination to be legally effective.

- Each death benefit nominee must be either your dependant or your legal personal representative (as defined in Superannuation Law)
- You must ensure that the proportion of the benefit that will be paid to your nominated person or each of those nominated persons is certain and ascertainable. If it is not clear what percentage is to be paid to whom and/or the percentages do not add up to 100%, your nomination will be invalid,
- Your nomination must be in writing,
- You must sign and date your nomination in the presence of two (2) witnesses, being persons:
 - each of whom has turned 18 years old; and
 - neither of whom is mentioned in the nomination;
- Your nomination must contain a declaration signed and dated by the witnesses stating that the nomination was signed by you in their presence at the same time, and
- Binding death nominations must be renewed every three years from the date of the nomination. Enterprise Plan will treat a lapsed binding nomination as reverting to a non-binding death nomination.

If a binding death benefit nomination is valid and in effect at the date of the member's death, the Trustee must pay the benefit to the beneficiaries nominated in the proportions set out in the member's binding death benefit nomination. However, the Trustee is not required to comply with a death nomination if the Trustee is aware that the payment under the nomination, or the lodgement of failure to revoke the nomination would be a breach of a Court Order.

What happens if my nomination is not valid at time of my death?

In the event a person you nominate is not a dependant at the time of your death, e.g. because they have died before you, or your nomination has been cancelled, or is non-binding as it was not witnessed or has lapsed, your nomination will no longer be valid and the Trustee will use its discretion to determine how your benefit should be paid.

Death Benefit Nominations in your annual Member statement

Each year, we will confirm your binding death benefit nomination details in your annual Member statement. It is important that you take note of this and regularly review your binding nomination to ensure it continues to suit your personal circumstances especially if this has changed. You can update amend, or revoke your death benefit nomination at any time by completing a nomination of beneficiary form and forwarding to Enterprise Plan.

Making changes

To implement or change a binding death benefit nomination, you need to complete a binding death benefit nomination form. To cancel a previous binding nomination, tick 'Amend an existing nomination and all prior nominations are revoked'. Binding death benefit nomination forms are available on the website www.enterpriseplan.com.au, or you can make a change within the Member online portal by logging on, go to the super tab, benefit nominations, edit and print the form.

The Trustee recommends you seek professional advice before making your nominations to ensure they meet your personal situation and needs, as:

- who you nominate may impact the amount of tax payable in relation to the benefit.
- the splitting of superannuation benefits between spouses on separation may impact upon the terms of a binding death nomination.

Before completing or making changes, please check the nomination of beneficiary form to ensure:

1. Two witnesses have signed at the same time/day as yourself (if making a binding nomination).
2. Witnesses are not the nominated beneficiaries.
3. Your nomination of beneficiary is certain and totals 100 per cent.

Contact us

If you have any questions regarding this factsheet, contact us.

PO Box 1282, ALBURY NSW 2640

Toll Free: 1800 640 055

Email: enquiries@enterpriseplan.com.au

Web: www.enterpriseplan.com.au

The information in this document has been prepared by OneVue Super Services Pty Ltd ABN (74 006 877 872), AFSL 246883 as the Fund Administrator. It is intended to provide you with general information only and does not take into account your personal objectives, financial situation and needs. Before making any decisions regarding your benefits in Enterprise Plan sub Fund of the Executive Super Fund ABN 60 998 717 367 (the Fund) it is important that you consider the current Product Disclosure Statement (PDS) relevant to your category of membership having regard to your own situation and needs. Copies of the various PDS' are available on the Enterprise Plan's website www.enterpriseplan.com.au. You should consult a licensed or authorised financial adviser if you require advice that takes into account your personal circumstances.