

How to make a death benefit claim

Information sheet

February 2024

The death of a loved one can be a difficult experience. There are important decisions to be made that may affect the financial situation of those who are left behind. Some of those decisions require time to address so it's important that you or someone you trust and authorise make contact with NGS Super as soon as possible.

How it works

When an Accumulation Account member dies, we will pay their account balance in a lump sum to their beneficiaries or estate. If eligible, a dependant may elect to have the benefit paid as an income stream. The account balance will include any insurance benefit that the member is eligible for with life cover.¹

When a Transition To Retirement (TTR) or Income account member dies, we will also pay their account balance in a lump sum to their beneficiaries or estate, except in limited circumstances where an income stream (pension) may be paid instead. Where a valid reversionary beneficiary nomination has been made (Transition To Retirement (TTR) or Income account members only), the beneficiary can take the benefit as a continuing pension or may request to take a lump sum payment.

The claim process

These are the steps to take to make a death benefit claim.

Contact us → Documents → Claim Assessment and Outcome

What the beneficiary or executor does	What we will do
Step 1 – Contact Us	
The member's beneficiaries or the legal representative notify NGS of the member's death by calling 1300 133 177 .	We'll advise the nominated contact (dependant, executor or solicitor) of claim requirements. Once we are notified of the death, we will transfer the member's account balance to the Cash and Term Deposits investment option to ensure stability of value.
Step 2 – Documents	
We'll need some or all of the following documents: <ul style="list-style-type: none"> • a certified copy of the member's death certificate • a certified copy of the member's proof of age (e.g. passport/driver's licence) • a certified copy of the member's will • a certified copy of the Grant of Probate (if applicable) or Letters of Administration (if necessary) • a certified copy of all Orders issued by the Family Court, such as Divorce Decree Nisi and/or Absolute Orders, all Financial Orders and maintenance orders, (if applicable) 	We will send you the forms that need to be completed. This process may take up to 10 days while we verify personal details and eligibility for life cover (if applicable). <i>(continued over)</i>

1. If the late member had insurance cover we will also lodge a claim with the insurer, who assesses the member's eligibility for the insured benefit and, if applicable, pays the benefit to us for payment to the late member's account. You can find more information about eligibility for a death benefit in our [Insurance guide at ngssuper.com.au/pds](https://ngssuper.com.au/pds)

The claim process *(continued)*

What the beneficiary or executor does	What we will do
Step 2 – Documents	
<ul style="list-style-type: none"> • proof of relationship with the member (such as a certified copy of the dependant’s birth certificate where the dependant is a child of the member or a certified copy of the marriage certificate where the dependant is the spouse of the member) • a certified copy of ID for all potential beneficiaries. 	<p>We will send you the forms that need to be completed. This process may take up to 10 days while we verify personal details and eligibility for life cover (if applicable).</p>
Step 3 – Claim Assessment and Outcome	
<p>A family member or the member’s legal representative will need to complete a Statutory Declaration to provide information to the trustee about the member’s dependants and personal circumstances at the time of the death. The executor of the will may also be involved in this part of the process. Additionally, other potential beneficiaries will also need to complete declarations to provide information in regards to their relationship with the deceased.</p> <p>This process can take some time and is in place to ensure that the benefit is paid to the appropriate beneficiaries.</p>	<p>The trustee will make a decision based on the documents and evidence provided. During this process, we will review any nomination (binding, non-binding or reversionary) and confirm it is valid. Nominations can be invalid for a number of reasons.</p> <p>For example, a binding nomination may be invalid if it has not been witnessed correctly, if the date it was witnessed is different to the date it was signed by the member, or where the nominated beneficiary has predeceased the member.</p> <p>Where:</p> <ul style="list-style-type: none"> • the nomination is invalid • there is a valid non-binding nominated beneficiary • there is no nominated beneficiary <p>we will review any will left by the member and investigate the member’s situation to understand all potential beneficiaries.</p> <p>We will determine how much (if any) of the member’s benefit should be paid to particular beneficiaries and/or to the member’s estate.</p> <p>The interested parties will be notified of the decision and if there is no dispute, the payment will be made.</p> <p>The dependants and interested parties will be given notice of the trustee’s planned distribution and will have 28 days to lodge a formal objection with the trustee. Any objection will be reviewed by the trustee with any new evidence provided to support the objection. The trustee may affirm or vary the original decision.</p> <p>If a potential beneficiary is still not satisfied with the final decision, they have 28 days to lodge a complaint with the Australian Financial Complaints Authority (AFCA).</p>

How long will it take?

The time it takes to decide who to pay a death claim to can vary greatly. A straightforward claim (for example, where there is a valid binding nomination of beneficiary) may be decided within 6–8 weeks. However, a complicated claim may take longer to determine. Providing accurate and complete documentation will assist in ensuring delays in the assessment process are minimised.

How is a death benefit claim paid?

The options for how a death benefit claim is paid are dependent on the type of beneficiary nomination made (binding, non-binding or reversionary) and the type of NGS Super account the claim relates to. The table below outlines the options available.

Nomination of beneficiary options

Beneficiary nomination options	NGS Accumulation account	NGS Transition To Retirement and Income accounts
<ul style="list-style-type: none"> Non-binding Binding (both lapsing and non-lapsing) 	Eligible beneficiaries will have the benefit paid as: <ul style="list-style-type: none"> a lump sum or can elect to have an income stream if the benefit is over \$20,000. 	
<ul style="list-style-type: none"> Reversionary beneficiary 	Not available	Paid as: <ul style="list-style-type: none"> a lump sum equal to the member's account balance or a continuing income stream (pension) from the member's NGS TTR or Income account.

Where the beneficiary nominates a lump sum payment, the benefit will be transferred via EFT to the nominated bank account/s.

If the beneficiary nominates to retain the benefit within NGS Super, the benefit will be kept separate to any other super money the beneficiary may have for tax purposes. A new and separate Income account will be opened for the beneficiary – death benefit proceeds cannot be consolidated with existing super money.

Tax on death benefit payments

There may be some tax payable on a death benefit payment. Lump sum benefits are tax free if paid to a dependant for tax purposes.² Payments to non-dependants for tax purposes³ or the estate are taxed according to the circumstances of the ultimate beneficiary and the tax components of the income stream or lump sum. The table below summarises the tax payable.

	Tax payable on death benefits	
	Accumulation account	Income account and Transition To Retirement account
Payment to a dependant² (as defined for tax purposes)	Nil	Death benefit paid as a lump sum Nil tax payable. Death benefit paid as an income stream If the member or their dependant are over age 60: Nil tax payable. If both the member and their dependant are under age 60: <ul style="list-style-type: none"> nil tax on the tax-free component the dependant's marginal tax rate (with a 15% rebate) applies to the taxable component – taxed element.

(continued over)

2. Dependants for tax purposes include a spouse (including de facto), former spouse, children under age 18, or a person who had an interdependency relationship with the member at the date of their death.

Tax on death benefit payments (continued)

	Tax payable on death benefits	
	Accumulation account	Income account and Transition To Retirement account
Payment to a non-dependant ³ (as defined for tax purposes)	Nil on the tax-free component. For the taxable component ⁴ – <ul style="list-style-type: none"> • Taxed element – 15% tax (plus Medicare levy). • Untaxed element – 30% tax (plus Medicare levy). • Tax is deducted by NGS Super before the payment is made.⁵ 	
Payment to an estate	Tax is payable based on the classification of the beneficiaries. The estate will be required to pay any applicable tax.	

Life insurance

Some members will have Life cover with NGS Super which is designed to help protect their families, and their way of life, by providing a lump sum payment when a member dies. If the late member had insurance cover we will also lodge a claim with the insurer, who assesses the member's eligibility for the insured benefit and, if applicable, pays the benefit to us for payment to the late member's account.

To find out more, please read our **Insurance guide** and the **NGS Accumulation Product Disclosure Statement** available at ngssuper.com.au/pds

Need more help?

Further information about beneficiaries is detailed in our fact sheet **Nominate your beneficiaries** at ngssuper.com.au/pds

If you need help understanding how to make a death benefit claim or how it could affect your Centrelink entitlements, consider obtaining professional advice. We offer low-cost tailored advice through NGS Financial Planning. To make an appointment, phone us on **1300 133 177** or complete the **Financial Advice Enquiry Form** or visit ngssuper.com.au/advice for more information.

To make a claim

Please phone us on **1300 133 177**, Monday to Friday, 8am–8pm (AEST/AEDT).

Important information

You should consider all the information contained in the **NGS Accumulation** or **NGS Retirement Product Disclosure Statement** and **Target Market Determinations** before making a decision about investing in NGS Super. The content provided in this information sheet is general information only and does not take into account your objectives, financial situation or needs. Before making a financial decision, please assess the appropriateness of the information to your individual circumstances and consider seeking professional advice.

3. Non-dependants for tax purposes generally include children over the age of 18 unless they remain financially dependent on the member.

4. Taxable component may be made up of taxed and/or untaxed elements. Under current law, an untaxed element will arise by formula if the deceased member has ever had insurance through their superannuation.

5. Tax is deducted from benefit payments on a PAYG basis. You will need to report the details of any payments received as part of your annual tax return and the ATO may calculate an adjustment depending on your personal circumstances.

Issued by NGS Super Pty Limited ABN 46 003 491 487 AFSL No 233 154 the trustee of NGS Super ABN 73 549 180 515. NGS Financial Planning Pty Ltd, ABN 89 134 620 518, is a corporate authorised representative #394909 of Guideway Financial Services Pty Ltd, ABN 46 156 498 538, AFSL #420367 and offers financial planning services on behalf of NGS Super ABN 73 549 180 515.