

HOW TO MAKE A DEATH BENEFIT CLAIM

INFORMATION SHEET

NOVEMBER 2022

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.

If the member has made a **non-binding nomination** or if they have not nominated their beneficiaries, it is up to the trustee to determine who the benefit should be paid to. However, the trustee will take into account the nomination the member has made as well as the member's will. This process can take some time to complete.

If the member has nominated a **valid reversionary beneficiary** (for *NGS Transition to retirement* and *NGS Income accounts* only) or a **valid binding death benefit nomination**, the trustee will pay the benefit to the nominated beneficiaries as there is no discretion to do otherwise.

The claim process

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

What the beneficiary or executor does	What we will do
Step 1 The member's beneficiaries or the legal representative notify NGS Super of the member's death by calling 1300 133 177 .	NGS Super will 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 NGS Super will 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) ▪ 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. 	We will send 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).

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

The claim process *(continued)*

What the beneficiary or executor does	What we will do
<p>Step 3</p> <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. 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 much 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 out?

The options for how a death benefit claim is paid out 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) 	<p>Eligible beneficiaries will have the benefit paid as:</p> <ul style="list-style-type: none"> ▪ a lump sum or ▪ can elect to have an income stream if the benefit is over \$20,000. 	
Reversionary beneficiary	Not available	<p>Paid as:</p> <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 <i>NGS Income account</i>.

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 purposes**³ 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 or Transition to retirement account
Payment to a dependant (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.
Payment to a non-dependant² (as defined for tax purposes)	Nil on the tax-free component. For the taxed element of the taxable component, the non-dependant's marginal tax rate — which may be reduced by tax offsets — will apply.	
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 or is diagnosed with a **Terminal Illness**.⁴

To find out more, please read our **Insurance guide** and **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 or complete the **Financial planning enquiry form** on our website at ngssuper.com.au/advice

To make a claim please phone us on **1300 133 177**, Monday to Friday, 8am–8pm (AEST/AEDT).

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.

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

4. This is a defined term. You can find out more information in our **Insurance guide** at ngssuper.com.au/PDS

More information?

Contact us

You can contact us at
ngssuper.com.au/contact-us
or call us on **1300 133 177**
Monday to Friday, 8am–8pm
(AEST/AEDT).

Phone number for callers outside
Australia: **+61 3 8687 1818**

Fax: **(03) 9245 5827**

Postal address:
GPO Box 4303
MELBOURNE VIC 3001

If you would like to know more about insurance or estate planning, consider obtaining professional advice for your personal situation.

We offer single-issue advice limited to your NGS Super account at no cost:

- over the phone through our Financial Advice Helpline
- through our **Super Specialists** who you can talk to over the phone or meet either virtually or face-to-face.

We also offer low-cost tailored advice through NGS Financial Planning. To make an appointment, call us on **1300 133 177** or complete the **Financial planning enquiry form** at **ngssuper.com.au/advice**

Important information

You should consider all the information contained in the **Product Disclosure Statement** and incorporated fact sheets 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.

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.

ngssuper.com.au
1300 133 177