

# Nominate your beneficiaries

*It's your choice who it goes to*

Fact Sheet

November 2023

## **It's important to tell us who you'd like to receive your benefit if you die while you're an NGS member.**

This fact sheet outlines what happens to your NGS accounts if you die while you are a member, the types of beneficiary nominations you can make and who is eligible to receive your benefit.

### **After you've made a nomination, don't let it become invalid**

It's also important to review your nomination should your personal circumstances change, for example, if you get married, divorced or should a nominated beneficiary change their name, die, cease to be financially dependent on you, cease to live with you on a genuine domestic basis or cease to be in an interdependent relationship with you. Keeping your nomination up to date will help to ensure that your benefit can be paid per your wishes if you die.

## **What happens if you die while you're an NGS member?**

While you are a member of NGS, you can nominate how you would like your death benefit to be distributed:

- to your estate (to be distributed in accordance with your will)
- to your nominated beneficiary (or beneficiaries) or
- for *NGS Transition to retirement (TTR)* and *Income accounts*, if you nominate a reversionary beneficiary at commencement of your account, as continued income payments to your reversionary beneficiary.

Super law permits beneficiaries to request payment of a death benefit as an income stream rather than a lump sum in certain circumstances. We will notify your beneficiaries if they are eligible for this option.

In the event of your death and following formal notification to us, your account balance plus any insurance proceeds (where applicable) will be invested in the Cash and Term Deposits investment option to protect the value of your benefit, except where you have an *NGS Income account* and have nominated a valid reversionary pensioner.

## Who is eligible to receive your death benefit?

You can generally nominate the following as your beneficiary:

- your spouse (legal or de facto)
- any child including your step, adopted or ex-nuptial child (stricter rules apply for child reversionary beneficiaries—see further details on page 3)
- your estate, to be distributed per your will
- a person who is financially dependent on you at the date of your death
- a person with whom you have an interdependency relationship.

## Your nomination of beneficiary options

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

In the event of your death, we must (unless otherwise directed by a court) pay your death benefit according to your instruction where there is a valid:

1. nomination of a reversionary pensioner (*NGS TTR account or Income account only*) or
2. binding nomination.

A valid reversionary pensioner nomination can only be made when you start your *NGS TTR account or Income account*.

If you do not have a valid reversionary beneficiary nomination in place, we must pay the death benefit according to your instructions where there is a valid binding nomination (unless otherwise directed by a court). If there is no nomination or if you have made a non-binding nomination, then by law, payment will be made at our discretion having regard to your dependants and nomination (if provided).

## Some terms explained

**Dependant:** a spouse, child, or any person financially dependent on a fund member or any person the member has an interdependency relationship with.

**Spouse:** whether of the same sex or a different sex, includes:

- another person with whom the person (i.e. the member) is in a relationship that is registered under a law of a State or Territory (prescribed for the purposes of section 22B of the *Acts Interpretation Act 1901* as a kind of relationship prescribed for the purposes of that section)
- a person who, although not legally married to the person (i.e. the member), lives with them on a genuine domestic basis in a relationship as a couple.

**Interdependency relationship:** a close personal relationship between two people who live together, where one provides the other with financial support and one or each provides the other with domestic support and personal care.

This includes certain relationships where some interdependency criteria are not satisfied because one or both persons suffer from a disability or because they are temporarily living apart.

**Child:** in relation to a person, includes:

- an adopted child, step-child or an ex-nuptial child of the person
- a child of the person's spouse
- a child of the person within the meaning of the *Family Law Act 1975*.

**Legal personal representative:** the person who looks after the estate of a deceased person.

This person may be the:

- executor of the will or
- administrator of the estate if the person dies without making a valid will (known as intestacy).

## Nominating a beneficiary

### 1. Binding nomination

You can make a:

- lapsing binding nomination, which will expire every 3 years or
- non-lapsing binding nomination, which will not expire.

A valid binding nomination means that you choose who will receive your benefit in the event of your death.

Unless there is a court order directing otherwise, we must pay your benefit according to your binding nomination, provided that the following legal requirements are met:

- your nominated person fits the description of 'dependant' at the time of death or you have nominated your estate
- your nomination is current, i.e. you have either selected a non-lapsing nomination or, in the case of a lapsing nomination, the form containing the nomination has been confirmed or amended within 3 years from the day it was first signed, or last confirmed or amended by you
- your nomination is in writing and is signed and dated by you in the presence of 2 witnesses aged 18 years or over, neither of whom is a nominated beneficiary
- your nomination contains a declaration, signed and dated by the witnesses, stating that they were present when you signed the form and
- your allocation of the death benefit among the nominees is clear and totals exactly 100%.

If you would like to make a binding nomination, you will need to complete a **Death benefit nomination form** at [ngssuper.com.au/forms](http://ngssuper.com.au/forms).

You can choose to make your nomination either lapsing or non-lapsing by ticking the appropriate box on the form.

If any information on your form is unclear, we may ask you to clarify your intentions. If this occurs, you may be required to complete another form.

### Amending, revoking or renewing your binding nomination

The payment of your benefit will, in the following circumstances, be paid at our discretion and it may be paid to your dependants, to your estate or to a combination of both if:

- you revoke a lapsing or non-lapsing binding nomination and do not make a new one
- you do not update your lapsing binding nomination after 3 years
- your nomination is no longer valid.

If you wish to amend or revoke your binding nomination, you must complete and return a **Death benefit nomination form** available at [ngssuper.com.au/forms](http://ngssuper.com.au/forms).

If you have made a lapsing binding nomination, we will write to you when you are approaching the end of your 3-year binding nomination period. If you wish to confirm your binding nomination, all you need to do is sign and date the form we send to you. You can also choose to amend, revoke or make a new nomination, either binding or non-binding at any time should your personal circumstances change.

A lapsing nomination, if not reconfirmed within 3 years, will expire and your nomination will become a non-binding nomination.

Non-lapsing nominations will continue without expiration.

It is important to review your situation and update your nomination if your circumstances have changed.

### 2. Non-binding nomination

Making a non-binding nomination of a beneficiary means that we must (by law) decide who will receive your death benefit.

We will consider your non-binding beneficiaries nomination and your personal circumstances at the time, including your will, before deciding whether to pay to any of your dependants or your estate or a combination of both.

### Please note that a non-binding nomination will not override a previous valid binding nomination.

If you would like to make a non-binding beneficiary nomination but have already made a binding nomination, you must revoke your binding nomination first.

### 3. Reversionary beneficiary

If you are opening an *NGS TTR account* or *Income account*, you can set up a reversionary beneficiary, which instructs us to continue to make pension payments to your dependant if you die. See page 2 for details on who can be a dependant.

Where the dependant is a child, a reversionary pension may be payable only in limited cases and for limited periods, if the child:

- is less than 18 years of age
- is over 18 years but less than 25 years old and is financially dependent on you at the time of your death
- has a disability as defined in the *Disability Services Act 1996*.

Once the child fails to comply with any of these provisions, the pension being paid will terminate and the remaining balance will be paid out as a lump sum benefit.

A valid reversionary beneficiary nomination will override any subsequent binding or non-binding nomination.

If you wish to nominate a reversionary beneficiary, you must select the reversionary nomination option on the application form when you start an *NGS TTR account* or *Income account*.

## Nominating your estate

If your benefit is paid to your estate then it will be paid to:

- your legal personal representative if you have a will or
- an administrator if you do not have a will.

There may be different tax consequences if there is a payment to the estate or to an administrator compared with payments to dependants. This will depend on the circumstances of the estate and your dependants.

## No nomination

If you do not nominate a beneficiary, the balance of your account will be paid to your estate and/or your dependants as determined by us. The benefit will be paid as a lump sum or, where the dependant is eligible and chooses so, an income stream.

## Tax on your death benefit

Lump sum benefits are tax free if paid to your 'dependants for tax purposes'.

'Dependants for tax purposes' include your spouse (including de facto), your former spouse, children under age 18 or a person who is partially or wholly financially dependent on you at the date of your death.

Payments to 'non-dependants for tax purposes' (e.g. a financially independent adult child) or the estate are taxed according to the circumstances of the ultimate beneficiary and the tax components of the pension or lump sum.

If you have a reversionary beneficiary, no tax is payable on the tax-free component, but if you and the reversionary beneficiary are less than age 60, some tax is payable on the taxable component.

For more details on the tax payable on a death benefit, please read our **Fees, costs and tax guide** available at [ngssuper.com.au/PDS](http://ngssuper.com.au/PDS)

## Keeping your nomination up-to-date

Please note that you should update your beneficiary nomination as your personal circumstances change (e.g. marriage, divorce, death of a spouse). You can update your nomination either through **Member Online** (nomination of beneficiary only) or by completing the **Death benefit nomination form** available at [ngssuper.com.au/forms](http://ngssuper.com.au/forms)

## More information?

### Contact us

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

Fax: **(03) 9245 5827**

Postal address:

**GPO Box 4303  
MELBOURNE VIC 3001**

### Need help?

If you are thinking about nominating a beneficiary, 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.

We also 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** at [ngssuper.com.au/advice](http://ngssuper.com.au/advice)

### Important information

The information provided in this fact 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.