



Binding Death Nominations Are An Important Part Of Your Estate Planning

You must make a binding death benefit nomination to maintain control and certainty over who will inherit your superannuation assets after you pass away.

Contrary to what you may think, your will does not automatically control the payment of your death benefits. If you do not make a binding death benefit nomination, your super trustee will decide who your super passes onto.

Familiarise yourself with the death benefit nomination rules, so your super assets are paid on your terms after you are gone.

Binding And Non-Binding Death Benefit Nominations

You can make a binding or non-binding death benefit nomination depending on your super fund. A binding death benefit nomination provides the greatest certainty as the legal document binds the trustee to pay your death benefits to the beneficiaries you have nominated.

Some super funds do not offer binding nominations, so individuals make non-binding nominations instead.

Non-binding nominations act as a guide to your trustee that they will take into consideration but are not obliged to follow. Your trustee may pay your death benefit to an individual you did not nominate if they feel they are more appropriate.

Lapsing And Non-Lapsing Nominations

Understanding your fund's options for lapsing and non-lapsing nominations will help you keep your nominations up-to-date and binding. Lapsing nominations typically expire after three years and must be renewed. If your binding nomination lapses without renewal, it will be considered a non-binding nomination upon your death. Non-lapsing nominations are permanent unless you change them.

Changing Death Benefit Nominations

Life circumstances like divorce, marriage or the death of a nominated individual may trigger you to change your nominations.

You can amend, cancel or replace your death benefit nomination at any time, provided the nomination is validly concluded. Remember that a power of attorney can renew lapsed binding nominations if you are mentally incapacitated or unable to sign.

Eligible Beneficiaries

You cannot pay your superannuation death benefits to just anyone, as there are strict eligibility requirements. You may only nominate your dependents or personal legal representative.

Dependents are strictly defined by law. According to the legislation, dependents include

- **Your spouse, whom you are legally married to, in a registered relationship with or live with on a genuine domestic basis**
- **Your child (including adopted and foster children) or your spouse's child**
- **Anyone in an interdependent relationship with you at the date of your death**
- **Other persons who the trustee deems were financially dependent on you at the date of your death**
- **You can also have your superannuation death benefit paid directly into your estate.**

Validity Requirements

Whether you are making a new binding death benefit nomination, replacing an old one or cancelling altogether, you must meet these requirements to make your nomination valid:

- Nominate eligible beneficiaries**
- Clearly allocate your benefits amongst your beneficiaries**
- Allocate 100 per cent of your death benefits**
- Sign and date your nomination in the presence of two witnesses who are legally adults and not nominated to receive your death benefits**

Ensure your witnesses sign and date the notice in your presence.

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