

How to claim a death benefit

This guide is designed to help you understand the claim process and complete all the paperwork quickly and with the minimum of stress.

We understand this is a difficult time and aim to make the claim process as smooth and simple as possible. We're here to help you understand what you need to do, answer your questions and make sure you're informed from beginning to end. Your claim will need supporting documents and the sooner we receive this information, the earlier we can start assessing your claim.

1. Call us

- Call us on **1300 650 873**, Monday to Friday 8.30am to 6pm (AEST/AEDT).
- You'll need the late member's super account details.
- We'll ask you some questions so we can send you the correct paperwork.
- You'll be sent a claim pack, with the name of your dedicated Aware Super case manager together with a claim form outlining what you need to do.



2. Complete the claim pack

- Getting hold of some supporting documents and completing the claim form can be tricky. Please call your case manager if you need help.
- Make sure the relevant supporting documents are certified so there's no delay assessing the claim.



3. Assessment of your claim

- Your case manager will review your claim and call you if they have any questions or need more information.
- We'll identify the potential beneficiaries and check if they're eligible to receive the benefit. This could take some time if we don't receive the information we need.
- We'll assess all received claims and will propose how the benefit should be paid.



4. Payment to beneficiaries

Payment is generally made directly into the beneficiary's bank account. If the payment needs to be made to an estate, the money can only be paid to a bank account in the name of the estate.



We'll work with you to make claiming as easy as possible.



1 Contact us

- Call us or email and let us know what's happened as soon as you can.
- Have the late member's super account information ready so we can make sure we're talking about the right person, for example:
 - their membership number, account number, date of birth and death certificate (if available).
- We'll ask some questions to help us send you the right claim pack and information.
- If you have it available, we'll also ask you to email us a copy of the late member's death certificate to enquiries@aware.com.au quoting the late member's membership number.



2 Complete the claim pack

- You'll receive a claim pack which will include:
 - a claim form, which outlines the list of documents you need to provide with your claim.
 - the name and phone number of your dedicated Aware Super case manager.
 - confirmation, if a nominated beneficiary is listed on the account.
 - confirmation whether there is a potential death insured amount (which is subject to insurer assessment).
- To avoid delays, it's important you complete the form and provide the necessary paperwork as soon as you can. We can only assess your claim once we have all the necessary paperwork.
- Some of your documents will need to be certified. To check how to certify a document go to aware.com.au/verify or read the *Proof of ID: How to verify your information* provided in your claim pack.
- Once we've received a certified death certificate, we'll transfer the late member's account balance to the cash investment option. Any insured amount admitted by the insurer will be added to the late member's account balance upon acceptance by the insurer.



3 Assessment of your claim

- When we receive your claim, we'll check if we have all the necessary information and documentation. Where your claim application is incomplete, we'll let you know what's outstanding.
- We'll start assessing your claim once we receive all the necessary completed forms and supporting documents.
 - we'll submit the claim to the insurer (if applicable).
 - we'll attempt to identify all potential beneficiaries who may have a claim to the benefit, in line with our legal obligations and the fund rules.
 - you'll be updated on how your claim is progressing every four weeks or earlier when something happens.
- Based on the information we receive from potential beneficiaries, we'll decide who is eligible to receive the benefit. If we don't receive enough information and need to request additional documents, this could take some time. Your case manager will let you know if there are any delays.
- Where there are several potential beneficiaries and we make an interim decision about how we'll distribute the death benefit, we'll let the beneficiaries know and provide them with 28 days to accept the decision or lodge an objection.



4 Payment to beneficiaries

- Once the claim assessment (including any insurance claims) is complete, a payment, less any relevant tax, will be made into the beneficiary's bank account within five business days using electronic funds transfer (EFT). Beneficiaries can also choose to receive benefits as a pension in certain circumstances. You can talk with your case manager if you're interested in this option.



How we work with you

We'll work with you to make this claim as easy as possible – we'll explain each step clearly and will oversee the assessment.

You'll have a dedicated case manager looking after the claim, who'll keep all potential beneficiaries updated with what's happening.

We can also help you complete the forms over the phone, and give you tips on how to get hold of any supporting documents you may need.

Generally, it takes around 2-3 months to fully assess a claim, provided everything was in order when the member died.

If you have any questions or concerns, just give us a call or email us – we're here to help.

Your questions answered

What is a death benefit?

This is the benefit payable from a super fund when a fund member dies. It consists of the member's super account balance and any death cover (insured amount) that may be payable, plus any earnings on the super balance to the date of payment, less fees and any tax (if applicable).

Who can receive a death benefit?

Generally, a super death benefit can only be paid to:

- the late member's legal personal representative (LPR), and/or
- one or more of their dependants.

After making reasonable enquiries and if we haven't found an LPR or a dependant, we may pay the benefit to another person.

Who is considered a dependant?

Dependants include the member's spouse or de facto spouse, children and anyone who was financially dependent on the member, or in an interdependency relationship with them, when they died.

A **Spouse or de facto spouse** is someone (whether of the same sex or a different sex) with whom the member is in a relationship that is registered under a law of a State or Territory, or another person who, although not legally married to the person, lives with the person on a genuine domestic basis in a relationship as a couple.

A **Child** includes:

- an adopted child, a stepchild or an ex-nuptial child of the member
- a child of the member's spouse, and
- someone who is a child of the member within the meaning of the *Family Law Act 1975*.

There is no age limit imposed on this definition therefore an adult child can apply for a death benefit, however minor children and financially dependent children will be considered first.

Where we decide to pay to a child under age 18, we may require the benefit to be paid to a person with standing (e.g. a surviving parent or guardian), to accept the benefit in trust for the minor child or children.

A **financial dependant** is someone who relied on the member to help them, whether partly or fully, to meet their daily living expenses such as utility and household expenses, rent and shared financial commitments like mortgage repayments or other loans.

An **interdependency relationship** exists between two people when they have a close personal relationship; and they live together; and one or each of them provides the other with financial and domestic support, and personal care. An interdependency relationship may also exist if two people have a 'close personal relationship' which does not satisfy the other

criteria, because one or both suffer from a disability, or they are temporarily living apart.

Who is considered a Legal Personal Representative (LPR)?

The LPR is either an executor named in the late member's will who is able to be granted Probate (which authorises the executor to manage the member's estate in accordance with the will), or the administrator of the late member's estate (where there is no will), who has been granted Letters of Administration.

It is important to understand that super doesn't automatically form part of an estate and its purpose is not to pay the debts of the member's estate, but to provide for those who had a right to look to the member for financial support had the member not died. This means that where there are known dependants, we will usually consider their claims as a priority over an estate.



What if there are no dependants or an LPR to pay the benefit to?

Only where there are no dependants or LPR, can we consider paying the death benefit to another person. These other individuals can include parents, siblings or friends.

What if there is a binding death benefit nomination on the account?

Where a member has a **valid binding** death benefit nomination in effect at the time of their death, we are legally bound, generally to pay the death benefit as per the nomination.

Where there is a **non-binding** nomination, we will consider any nominated beneficiaries. However, as we are not legally bound by the nomination, we will need to decide how the benefit can be paid (in accordance with super law and the fund rules) after all potential beneficiary applications and the necessary documents have been received.

How can I help speed up the claim?

The main delay is generally the amount of time it takes for us to receive the necessary claim information. Ultimately, the easiest way to speed up the claim is to provide all the requested supporting documentation with your claim application and to respond to our requests as quickly as you can. We have a duty to pay a member's benefit without unnecessary delay.

Where we've been advised of the death of a member and are unable to contact a beneficiary after several attempts, as we cannot ensure payment of the benefit to a person entitled to receive the benefit, in accordance with the Superannuation (Unclaimed Money and Lost Members) Act 1999, we must report and pay unclaimed super monies to the Australian Taxation Office (ATO). To find out more details about ATO unclaimed monies, go to ato.gov.au

What are everyone's roles and responsibilities?

We, as the trustee will*:

- assign an Aware Super case manager to the claim who will:
 - explain the claim process to you and help guide you through it,
 - answer any queries you might have, and
 - keep you and identified beneficiaries regularly updated on the progress of the claim.
- oversee the claim assessment process and minimise any delays,
- oversee the conduct and timeframes of the insurer and other service providers,
- complete an independent review if the insurer declines the claim, to check the decision is fair and reasonable,

- decide who is eligible to receive the death benefit and arrange payment of the late member's super account balance and any death insured amount (if applicable), less any relevant tax.

The insurer will**:

- review the documents and request more information if needed,
- assess if a death insurance benefit is payable based on the policy terms and conditions,
- if approved, pay the death insurance benefit to the late member's Aware Super account,
- notify you if the likely decision is to decline the claim and provide you with the necessary information to review the decision and provide additional information for further assessment.

* in compliance with the Insurance Voluntary Code of Practice

** in compliance with the timeframes outlined in the Financial Services Council's Life Insurance Code of Practice

How long does the claim take to be assessed and a decision made?



Generally it will take five business days to review a claim – once we receive your completed claim form and supporting documents – and to determine if we need additional information or whether we can go ahead and, if applicable, forward the claim to the insurer for assessment. If there are outstanding documents or requirements, from yourself or other claimants, the process will be placed on hold until we receive everything we need to make an assessment. Typically, it takes around 2-3 months to fully assess a claim, however for complex cases involving multiple potential beneficiaries, it may take longer.

When a decision is made, all potential beneficiaries need to accept our decision before the claim can be paid. If the claim is in dispute the benefit will not be paid until the dispute is resolved.

Your case manager will update you regularly on how the claim is progressing, and you can also contact them at any time for an update.

- children below age 18
- a person with whom the member had an interdependency relationship, and
- any other person who was financially dependent on the member.

It is important to note that a death benefit paid to a non-dependant or as a pension will be treated differently for tax purposes. Consider obtaining independent financial advice before you make any decisions about your payment.

For more information about tax on death benefits read the *Member Booklet Supplement: Tax and super* at aware.com.au/pds



What happens if you're not happy with our final distribution decision

If you're not happy about how we propose to distribute the death benefit (the process to notify us of a dispute will be advised in our interim decision letter), we'll discuss your concerns and aim to come to an agreement in line with our legal obligations and the fund rules. If we're not able to come to an agreement, our internal dispute resolution panel will review your concerns and make an independent decision. If you're not happy with their decision, you can contact the Australian Financial Complaints Authority (AFCA) for external dispute resolution. We'll make their details available if needed or you can find out more at afca.org.au

Financial and tax implications of death benefit payments

A lump sum death benefit paid to a dependant is, generally, tax free. If the benefit is paid to the estate, then the legal personal representative is responsible for withholding any tax. A dependant (for tax purposes) includes:

- a spouse or former spouse (including a de facto, same sex or opposite sex)

What happens if the insurer declines the death claim?

If a death claim is declined by the insurer, we'll independently review the insurer's decision. If we disagree with their decision, we'll ask for clarification or challenge the decision on behalf of potential beneficiaries. In some cases, we may need to ask for more information to support the claim. If, after further consideration, the insurer decides to decline the claim and we agree with their decision, we'll write to all potential beneficiaries with the final decision and an explanation.

Where a beneficiary is not happy with the final decision, they can submit a written dispute to us, with further supporting evidence. We'll then arrange for the insurer to assess the dispute.

If the dispute is not resolved in the beneficiary's favour, they can contact AFCA, an independent body set up by the government to help resolve most complaints relating to superannuation, including the payment of death benefits. We'll provide further details about this process and AFCA's contact details if needed.

Do I need legal representation?

We cannot advise you on legal issues that may arise out of your claim. It may become necessary for you to obtain legal advice. This is entirely up to you. However, please be aware that:

- your dedicated claim case manager will help you through each step of the process
- we have a legal obligation to act in the best interests of our members
- all claims are assessed on a fair and reasonable basis
- having legal representation won't influence the claim timeframes and payment amounts
- the costs involved in having your own legal representative will need to be paid for by you.

We're here to help

Contact us



Phone: 1300 650 873
8.30am to 6pm (AEST) Monday to Friday
Int'l: +61 3 9131 6373
Email: enquiries@aware.com.au

Get advice



Phone: 1800 620 305
8.15am to 8.15pm (AEST) Monday to Friday
Book: aware.com.au/advice
Email: clientservicecentre@aware.com.au

Important information

The insurance cover provided is subject to terms and conditions contained in the insurance policy issued to the trustee by the insurer. The terms and conditions of the policy prevail over any inconsistent information within the Factsheet.

Insurance applications are subject to acceptance. Insurance cover is provided to Aware Super by TAL Life Limited (TAL ABN 70 050 109 450, AFSL 237848).

This is general information only and does not take into account your specific objectives, financial situation or needs. Seek professional financial advice, consider your own circumstances and read our product disclosure statement before making a decision about Aware Super. Call us or visit our website for a copy.

Issued by Aware Super Pty Ltd ABN 11 118 202 672, AFSL 293340, the trustee of Aware Super ABN 53 226 460 365. Financial planning services are provided by our financial planning business, Aware Financial Services Australia Limited ABN 86 003 742 756 AFSL No. 238430. Aware Financial Services Australia Limited (ABN 86 003 742 756, AFSL 238430) is wholly owned by Aware Super.