

Nominating beneficiaries

The information in this document forms part of the Aware Super **Member Booklets** (Product Disclosure Statements) for:

- Employer Sponsored members dated 10 June 2021
- Police Blue Ribbon Super members dated 10 June 2021
- Ambulance Officers' Super members dated 10 June 2021
- Personal members dated 10 June 2021



10 June 2021



You can nominate a beneficiary to receive your super

If you die while you have an account with Aware Super, your super will be paid as a death benefit to a single beneficiary or divided between multiple beneficiaries. You may nominate one or more of your dependants (see **Who can you nominate?** for a definition of dependant) or your legal personal representative as the recipient of your death benefit in the event of your death. You can make your nomination either binding (lapsing or non-lapsing) or non-binding.

The death benefit will be your account balance at the time of payment (including any insurance benefit received from the insurer, if applicable) less any applicable tax. Your account balance will be switched to the Cash investment option when we receive satisfactory proof of your death. Death benefits are taxed differently depending on the status of the person who receives them.

If you are a Police Blue Ribbon Super or Ambulance Officers' Super member, your nomination applies to both your compulsory insurance account and any Police Blue Ribbon Super or Ambulance Officers' Super superannuation account. You cannot nominate different beneficiaries for each account.

For all other accounts, you need to nominate beneficiaries for each of your accounts. Any nomination you make for one account does not automatically apply to your other accounts.

If your benefit is transferred between membership categories

If your membership is transferred from another accumulation category to the Employer Sponsored category, your beneficiary nomination will also be transferred.

For more information about tax on death benefits, read the *Member Booklet Supplement: Tax and super* available on our website and by contacting us.



Disclaimer

This document has been prepared by Aware Super Pty Ltd (referred to in this document as the 'trustee', 'we', 'us' or 'our'), the trustee of Aware Super (referred to in this document as 'Aware Super' or 'the fund'). This document contains general information only. It does not take into account your specific objectives, financial situation or needs. You should consider the information having regard to your personal circumstances. It is recommended that you consult a financial adviser if you require financial advice that takes into account your personal circumstances.

The information contained in this *Member Booklet Supplement* was accurate at the time of its preparation. However, some of the information can change from time to time and the trustee can change matters which are the subject of representations made in the *Member Booklet* and *Member Booklet Supplements*. If the change is not materially adverse, the updated information will be available on our website at aware.com.au/pdsupdates. A paper copy of this *Member Booklet Supplement* and any update will be available free of charge by contacting us on **1300 650 873**.

We may change any matter in this *Member Booklet Supplement* without member consent, but in the case of an increase in fees and charges we will notify members at least 30 days before the change occurs. This offer is only made to persons receiving this *Member Booklet Supplement* and the applicable *Member Booklet* (electronically or otherwise) in Australia.

Making a binding nomination

Only members of the fund can make a binding beneficiary nomination and we will only accept original or certified copies of completed binding nomination or cancellation forms. Nominations made by representatives under a power of attorney will not be accepted.

For your binding beneficiary nomination to be valid, your nomination must meet the requirements detailed in the *Binding death benefit nomination* form. If you have a valid binding death benefit nomination in place at the time of your death, we will pay a lump sum to each of your nominated beneficiaries in the proportions you have directed. A valid binding death benefit nomination generally provides certainty about who will receive your death benefit when you die.

If a person you nominate is a dependant at the time of nomination, but is no longer a dependant at the time of your death or dies before you do, your binding nomination will no longer be valid and we are not required to pay your benefit according to your nomination. Similarly, we may not be bound by the nomination if we or the member is subject to a court order which prevents the payment or affects the validity of the nomination. If you have not made a binding nomination or if your binding nomination is invalid, we will decide how the benefit is distributed on your death guided by superannuation law and the trust deed. It is important to review your nomination when your family circumstances change – marriages, divorces, births and deaths may change your preferred beneficiaries. You can choose to make your binding nomination either lapsing or non-lapsing:

- A lapsing binding death benefit nomination is valid for a period of up to three years from the day after it was first signed or last confirmed or amended. For the nomination to remain valid, you must confirm the nomination in writing every three years before the three-year period expires.
- A non-lapsing binding death benefit nomination does not expire, so it **does not need to be confirmed every three years**, accordingly it is important to review your nomination regularly to ensure that it is still appropriate for you. A non-lapsing nomination only becomes binding when we consent to the nomination.

Your binding death benefit nomination:

- can be made or updated by completing a *Binding death benefit nomination* form
- can be cancelled by completing a *Binding death benefit cancellation* form
- is invalid if one or more beneficiaries die or no longer meet the definition of 'dependant' at the time of your death
- is invalid if the nomination form is not completed correctly, e.g. not witnessed correctly
- overrides any prior non-binding death benefit nomination(s)
- can be renewed at any time (in the case of a lapsing binding nomination) as long as it is still current, by completing a *Renewal of lapsing binding death benefit nomination* form.

Making a non-binding nomination

A non-binding nomination is a discretionary nomination that allows you to nominate your preferred beneficiary or beneficiaries to receive your death benefit. You can make a nomination in the secure member login area of our website or by completing a *Non-binding death benefit nomination* form.

We will decide how the benefit is distributed on your death (guided by superannuation law) but will have regard to your nomination.

Who can you nominate?

Each person you nominate must be a dependant (as defined by superannuation law) or your legal personal representative at the date of nomination and the date of your death. If you don't have dependant(s) or a legal personal representative you may nominate another individual. A dependant under superannuation law is your spouse, your children or your other dependants as described below.

Your spouse

- a person who is legally married to you, or
- a person (whether of the same sex or different sex) with whom you are in a relationship that is registered on a relationship register of a state or territory, or
- a de facto spouse (whether of the same sex or a different sex).

Your children

- your children or your spouse's children (see meaning of spouse above)
- adopted, step and ex-nuptial children
- your children within the *Family Law Act 1975* (e.g. children under surrogate arrangements).

Your other dependants

- a person who we consider is financially dependent on you at the time of your death, or
- a person with whom you have an interdependency relationship, which generally means a person with whom you:
 - live, and
 - have a close personal relationship, and
 - provide financial support (or they provide financial support to you), and
 - provide domestic support and personal care (or they provide domestic support and personal care to you).

An interdependency relationship can also occur where two people have a close personal relationship, but the other requirements are not satisfied because either or both of them suffer from a physical, intellectual, psychiatric or other disability. In most cases, your parents and siblings are not considered to be your dependants, unless they are financially dependent on you or they are in an interdependency relationship with you.

Your legal personal representative

Your legal personal representative is the executor or administrator of your estate. If you nominate a legal personal representative to receive your super benefit in the event of your death, the legal personal representative will distribute your benefit according to your Will (or estate law if no valid Will exists) after payment of estate debts and expenses, even if the beneficiaries of your estate are not dependants. If you do not have a binding death benefit nomination you should consider making a Will.

Ensure your nomination is up-to-date

If at the time of your death you have in place a valid binding death benefit nomination, we will pay the death benefit in accordance with your nomination. However, circumstances may change which may cause your binding nomination to become invalid such as in the case of divorce, death of a nominated dependant, or a change in an interdependency relationship.

Where there is no valid binding beneficiary nomination, we must determine to whom and in what proportions your death benefit is to be paid, guided by the trust deed and superannuation law. We will aim to ensure our decision is fair and reasonable. We will consider relevant matters at the time of your death, including identifying and considering your dependants and the extent of their dependency.

To avoid any delay or confusion concerning the payment of your death benefit, we encourage you to make a binding beneficiary nomination and to update it as needed, in particular when relevant circumstances in your life or in the lives of your dependants change.

To make a valid binding nomination

- Make the nomination in writing using the *Binding death benefit nomination* form available on our website.
- Provide the full name(s), date(s) of birth and relationship to you of your nominated beneficiaries. If you wish to nominate your estate, please nominate a percentage for your 'Legal personal representative' at the end of Section 3 of the form.
- Clearly state the percentage of the benefit to be paid to each nominee (in whole numbers) and make sure the percentages add up to 100%. For example, if you split between three people, you may wish to show the percentages as 33%, 33% and 34%.
- Sign and date the nomination in the presence of two witnesses, who are 18 years of age or older and not nominated as beneficiaries. The two witnesses must complete and sign the witness declaration on the same day that you sign the form.
- Send the original completed nomination to Aware Super, PO Box 1229, Wollongong NSW 2500. It will only become effective once we receive it, and if all the above steps have been correctly completed.

We will write to you to acknowledge receipt of any nominations, confirmations or changes you make. If you need to make a more detailed nomination, please prepare a letter which meets the conditions listed above.

Please consider your options and circumstances carefully and seek help from a financial or legal adviser before making or altering a death benefit nomination.



You decide who receives your super if you die

If you die while a member of Aware Super, your benefit will normally be paid as a lump sum. It may be paid to a single beneficiary or divided between multiple beneficiaries.

Unless you have a binding death benefit nomination in place at the time of your death, we will decide who to pay your death benefit to. It will normally be paid to one or more of your spouse, your other dependants and your legal personal representative. If you have a valid non-binding death benefit nomination in place, we will take this into account.

If you have a valid binding death benefit nomination in place at the time of your death, we will pay a lump sum to each of your nominated beneficiaries in the proportions you have directed¹.

Importantly, your superannuation benefits will be taxed differently depending on who receives it.

¹ We may not be bound by the nomination if we or you were subject to a court order which prevents the payment or affects the validity of the nomination.

If your benefit is transferred between membership categories

If your membership is transferred from another accumulation category to the employer sponsored category, any beneficiary nomination you have made for that account will also be transferred.



Contact us

Phone 1300 650 873

Email enquiries@aware.com.au

Web aware.com.au

Post PO Box 1229, Wollongong NSW 2500

