

Transport Scheme members

This fact sheet explains how to make a death benefit nomination.

Types of beneficiary nomination

Transport Scheme members can make either a non-binding beneficiary nomination (non-binding nomination) or a binding beneficiary nomination (binding nomination). If you don't tell us what you want to happen to your benefit if you die, ESSSuper (the Board) will distribute the benefit in accordance with the governing rules of the Transport Scheme.

Non-binding nomination

A non-binding nomination means you tell us how you would prefer your death benefit to be distributed. If you make a non-binding nomination, the Board will consider your wishes when deciding who should be paid your benefit. However, your nomination is only a guide and the Board retains absolute discretion in determining who should receive your benefit in the event of your death and in what proportion.

Binding nomination

A binding nomination allows you to nominate who receives your benefit in the event of your death and in what proportion. You may nominate one or more dependants and/or your Legal Personal Representative (LPR). Provided your nomination remains valid, the Board must follow your instructions, even if circumstances change from the time of your nomination to the time of your death. If any person nominated by you ceases to be a dependant or a Total and Permanent Disability (TPD) pension is approved and becomes payable to you (or your service is terminated while in receipt of a temporary pension), your binding nomination will be invalid and will be treated as a non-binding nomination by the Board.

Binding nominations are valid for three years and override any previous nomination. It is essential that you review your binding nomination as your circumstances change but also at least every three years.



Important information

Under the rules of the Transport Scheme there are different calculations of the death benefit for members under retirement age, depending on your personal circumstances at the time of your death.

If you die leaving no eligible dependants the death benefit payable is your contributions and interest (if applicable) plus your employer component (SG). Your death benefit may be greater if you die with qualifying dependants as it includes a projection of your service to retirement age.

It is important to note that in circumstances where a member makes a 100% binding nomination to their LPR, ESSSuper is bound to pay the lower benefit to the LPR.

What happens if you don't make a death benefit nomination?

It's important that you tell us what you want to happen to your benefit if you die. Without your beneficiary nomination, the Board will distribute your benefit to your dependant(s) or your LPR in the proportions determined by the Board at its discretion, subject to the governing rules of the fund.

Your nominated beneficiaries can be changed at any time. To see how beneficiary nominations work in practice, take a look at the following fictional examples.

John wishes his benefit to be split equally between his children and new partner.

John has recently moved in with his new partner Lisa. John has two children, aged 35 and 32 from a previous relationship. He hasn't finalised his divorce with his ex-partner even though they have been separated for quite some time. In the event of his death he wishes his superannuation benefit to be split equally between his children and Lisa. John makes a binding nomination to ensure this happens. If John died without a binding nomination in place his ex-partner who is still legally married to John may have been considered for part of the death benefit along with the other qualifying dependants, his two children and his current defacto partner.

Anna wants her super to go to her children as her husband has enough to retire on.

Anna is married to Peter and they have two adult (non-dependent) children who are 22 and 25. In the event of her death Anna wishes to provide for her adult children as her husband has his own generous retirement scheme. Anna makes a binding nomination to have her superannuation benefit paid equally between to her two adult children. It should be noted that if she had made a binding nomination to her LPR a lesser benefit would have been paid even though she has three dependants. By making the binding nomination to her children she has ensured the higher benefit is paid and in accordance with her wishes.

How to make a death benefit nomination

Non-binding nomination

Complete the *Non-binding death benefit nomination form (S609)*.

Binding nomination

Complete the *Binding death benefit nomination form (ES108)*. It must be witnessed by two people who are over the age of 18 and are not a beneficiary nominated on the form.

For a nomination to be binding, the nominees can only be the following people:

- Spouse – current spouse or de facto spouse (whether the same or opposite sex), or
- Child – a child of any age, or
- Financial Dependant – a person financially dependent on the member at the time of death, or
- Legal Personal Representative (LPR) – an LPR who will distribute the benefit according to the will.



You can download forms from our website or call the Member Service Centre to request a copy.

Things to consider

A binding death benefit nomination remains in force for three years until it expires or you submit a new beneficiary nomination. If the nomination expires or becomes invalid for any reason, it will be treated as a non-binding death benefit nomination.

A death benefit will only be paid according to a binding death benefit nomination(s) if that person still meets the definition of dependant or LPR at the time of the member's death.

A binding death benefit nomination for your defined benefit fund will have no impact on any binding death benefit nomination you may have in place for your accumulation plan or income stream account - they are treated separately.

The rules around taxation may have a bearing on who you nominate. ESSSuper recommends that you obtain financial advice from a qualified financial adviser before making a binding nomination.

Learn more

For more information on beneficiary nominations call the Member Service Centre on 1300 655 476 or make an appointment to meet with one of our Member Education Consultants.

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