

ESSS DB Fund members Beneficiary nominations

This fact sheet explains how to make a beneficiary nomination.

Death benefit nominations

ESSS DB Fund members can make either a non-binding death benefit nomination (non-binding nomination) or a binding death benefit 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 ESSS DB Fund.

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.

You may nominate one or more dependants and/or your Legal Personal Representative, or alternatively you are able to list a Nominated Personal Representative to receive your entire benefit. This person can be anyone who is over the age of 18.

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.

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 in 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 10 and 12 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.

David wants his estate to be divided between his mother and sister as he doubts the longevity of his de facto relationship.

He has lived with his partner Sharon for four years, however this is a very volatile relationship and he has doubts regarding the longevity of the relationship. In the event of his death David wants his death benefit to be paid to his mother and sister. David makes a binding nomination to pay the death benefit to his LPR and for it to be distributed in accordance with his Last Will and Testament. In his Will David has made provision for his Estate to be divided equally between his mother and sister. If David was to die without a binding nomination in place his entire benefit would probably be paid to his girlfriend as they had been living together for four years and would have had some joint finances. David's sister and mother were not financially dependent upon him and as such could not be considered for part of the benefit.

How to make a death benefit nomination

Non-binding nomination

Log into your Members Online account at esssuper.com.au/login and complete the Non-binding beneficiary nomination online. Alternatively, complete the *Non-binding death benefit nomination form (E108)* available from our website at esssuper.com.au/forms

Binding nomination

Complete the *Binding death benefit nomination form (E5152)* available from our website at esssuper.com.au/forms. 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 – child who is less than 18 years of age, or between 18 and 25 and a full-time student (including adopted children), 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 make a non-binding beneficiary nomination online, download non-binding or binding nomination forms from our website or call our Member Service Centre to request copies.

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 our Member Service Centre on 1300 650 161 or make an appointment to meet with one of our Member Education Consultants.

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