

New Scheme members

Beneficiary nomination

This fact sheet explains how you can make a non-binding or binding beneficiary nomination.

Types of beneficiary nomination

New 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 New 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 New 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.

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 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. David is aware that a lesser benefit would be paid to the LPR in this case however he believes this to be preferable as his benefit will be paid in accordance with his wishes.

Jenny wants her super to go to her child, as her partner will inherit their joint properties.

Jenny is a member of the New Scheme who lives with her partner. They have been together for 14 years and jointly own two properties. She has a child from a previous relationship who is 18 years old and a full time student. In the event of her death, she would like her death benefit to be paid to her child, as her partner will inherit the properties. She makes a binding nomination to pay 100% of her death benefit to her child. If Jenny died without a binding nomination in place, her partner and child would both qualify as dependants, and the death benefit would be shared between them in proportions as determined by the Board. 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 dependants. By making the binding nomination to a dependant she has ensured the higher benefit is paid and in accordance with her wishes.

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 (S609)* available from our website at esssuper.com.au/forms

Binding nomination

Complete the *Binding death benefit nomination form (ES152)* available from our website at esssuper.com.au/form. 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) – a 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 655 476 or make an appointment to meet with one of our Member Education Consultants.

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