

When a loved one dies

This fact sheet is for families and legal representatives of ESSSuper's Revised Scheme and SERB Scheme pension members.

Help when you need it most

This guide provides families and legal representatives with information about what to do when an ESSSuper pension member dies.

It includes how to:

- notify us
- finalise the pension (including tax)
- see if further benefits are payable (and have them paid)
- meet tax and other obligations.

As there can be several forms to complete, we encourage you to call us for help.

Notify us

It's vital we know as soon as possible when a pension member dies. You (or anyone else) can advise us by phone or in writing.

Following your initial notification, we will also need certified copies of the pension member's:

- death certificate, and
- Will (or letters of administration).

Final pension payment

Once we have been notified a pension member is deceased, their pension payments stop.

We will make any necessary adjustments to the pension before finalising the benefit.

Entitlements

Once we receive all requested information, we will determine if any entitlements are payable to a spouse, child and/or the estate.

Spouse

A spouse of an original member (including same sex or de facto) may be eligible for a spouse pension.

This pension is usually two thirds of the deceased pensioner's entitlement at the date of death, and indexed at the Consumer Price Index (CPI) for all capital cities.

Spouses under age 60 will receive an offer to commute 100% of the pension within 12 months of the member's death.

Spouses aged 60 or over can commute up to 50% or 100% of the pension to a lump sum.

To transfer the pension to a deceased member's spouse, we need the following forms completed, signed, dated and returned to ESSSuper:

- ESSSuper *Application for Partner and Children's Pension form (S410)*
- *Tax file number declaration*, (if under 60)
- *Remittance Advice form*.

We also need a certified copy of:

- the death certificate
- the eligible spouse's birth certificate
- the marriage certificate, relationship registration or relationship evidence to satisfy the Board
- a letter confirming your residential address (e.g. a rates notice or centrelink letter).

Probate/Letters of Administration may also be needed if the benefit is payable to the Estate.

Child

A pension may be payable to an eligible:

- child aged under 18 or full-time student aged 18 to 25 on the day the pension member died, or
- dependent disabled adult child.

The amount of a child's pension depends on:

- the member's entitlement
- how many eligible children the pension member has
- whether a spouse survives the member.

Children's pensions are not commutable.

To claim a child's pension, we need:

- a certified copy of the full birth certificate for each eligible child
- proof of full-time studies for children aged 18 to 25 (see *Declaration of Eligibility for a Full-Time Student Pension (S403)*, available from our website at esssuper.com.au/forms)
- proof of the disability of a disabled adult child and their whole or partial reliance on the member's financial support.

Call our Member Service Centre for a copy of the *Pension Entitlement for Disabled Adult Children Policy*.

Estate

If the deceased pension member has no spouse or child, on receipt of the required documents, we will pay any residual benefit entitlement (according to fund rules) to the pension member's estate.

Transfer balance cap & tax

From 1 July 2017, Defined Benefit Lifetime Pensions will be valued at a rate of 16 times the individual's pension amount at 1 July 2017 or date of commencement, irrespective of age. That is any Defined Benefit Lifetime Pensions and account based retirement income streams you hold will count towards an individual transfer balance cap. An individual with a Defined Benefit Lifetime Pension of \$106,250 per annum (valued \$1.7 million# for the purpose of the transfer balance cap) or more has used 100% of their transfer balance cap and is subject to Excess Transfer Balance tax on notional earnings on any excess balance above \$1.7 million in any Retirement Income Streams account they may hold above their personal transfer balance cap. New taxation arrangements apply to Defined Benefit Lifetime Pensions of \$106,250* per annum or over. 50% of the Defined Benefit Pension income above the cap of \$106,250 will be included as assessable income and taxed at your marginal tax rate. Excess transfer balances do not include increases above the transfer cap due to investment earnings nor do they include reductions in balances due to pension payments received.

Cap is indexed in line with the Consumer Price Index in increments of \$100,000.

* Indexed in line with the transfer balance cap.

Please note: If you are applying for a pension benefit, you will need to complete an Australian Taxation Office (ATO) Tax File Number (TFN) Declaration - regardless of age and amount of pension.

Here to help

To learn more, please visit our website at esssuper.com.au or call our Member Service Centre on 1300 655 476.

You may also wish to make an appointment for an individual consultation with one of our Member Education Consultants to answer your questions and help you through this process.

Proudly serving our members

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