



Death benefits and your super

What happens to your super when you die?

You might assume that your Will controls how all of your assets will be distributed when you die, but this may not be the case with your super fund account. Specific rules control how super fund trustees are allowed to distribute super benefits and how those benefits are taxed.

It is important to consider how you wish to have your super distributed at the time of your death. Your death benefit includes the money in your super account at the time you die plus any

insurance benefit, if you had death cover as part of your super fund membership. This benefit is not taxed, subject to certain conditions, if paid to dependent beneficiaries. Please refer to the Spectrum Super Product Disclosure Statement for further information.

Spectrum Super offers a binding death nomination of beneficiaries (BDN). Completing a BDN form will ensure that the Trustee knows exactly whom to pay your death benefit to, provided you nominate one or more of the following beneficiaries:

Relationship to you	Definition and key points
Your spouse	Your married or de facto partner of the opposite sex No need to prove financial dependence
Your spouse (now separated but still legally married)	Still regarded as a dependant No need to prove financial dependence
Your former spouse (now legally divorced)	Must prove financial dependence to receive death benefit from the Trustee, but assumed to be dependent under tax laws
Your children	Includes all biological children and adopted children of any age (however, stepchildren are only automatically considered as dependants of their natural parent. If the natural parent dies first, they will not be automatically regarded as dependants of the surviving step-parent) Under age 18 automatically considered as dependants under tax laws Adult children to prove financial dependence to qualify for a tax concession
Interdependent relationships (including same-sex couples)	Must prove interdependency relationship
Financial dependant (anyone the Trustee considers is financially dependent on you at the time you die)	Must prove financial dependence

Note: Taxation of death benefits can be a complex issue, and we strongly recommend you seek advice from a licensed taxation adviser.

What happens in the absence of a BDN?

If you have not made a binding nomination, the Trustee will pay your death benefit to your estate to be distributed according to your Will. You can download a BDN form from our website in the 'brochures and forms' section. Alternatively, you can request one from Spectrum Super Customer Service.

For your BDN to be legally binding, you need to comply with the four rules listed below:

Rule 1	<p>You can only nominate:</p> <ul style="list-style-type: none">■ your spouse or de facto spouse■ your child■ another person financially dependent on you■ your estate■ someone who has an interdependent relationship with you. <p>Two people have an interdependent relationship if:</p> <ul style="list-style-type: none">■ they have a close personal relationship■ they live together■ one or each of them provides the other with domestic support, personal care and financial support. <p>A person with a disability living in an institution may also qualify.</p> <p>Friends or flatmates just sharing accommodation or people providing care under employment contracts or on behalf of a government, charitable or benevolent organisation do not qualify.</p>
Rule 2	You must clearly allocate 100 per cent of your benefit to the nominated beneficiaries.
Rule 3	Your BDN must be witnessed at the time you complete the form by two independent witnesses who are over age 18 and not listed as beneficiaries on your form. The witnesses must declare that the BDN was signed in their presence.
Rule 4	You must update the BDN every three years.

Note: This information has been sourced from www.fido.asic.gov.au, the Australian Securities and Investments Commission consumer website.

Binding nominations override any instructions in a Will on the payment of super death benefits. If you have a Will, you should advise your solicitor of your binding nomination. If you do not have a Will, you should advise your solicitor of your binding nomination when drawing up the Will.

For more information, please visit our website www.spectrumsuper.com.au or call Spectrum Super Customer Service on **1800 333 500**.

Spectrum Super is issued by IOOF Investment Management Limited (IIML)

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