



**LGsuper**

Looking after you  
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# Nominating your beneficiary guide

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- *Accumulation account, Retained Benefit account, Spouse account Excludes current and former employees of Brisbane City Council, Queensland Urban Utilities, associated employers and their spouses*  
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- *Accumulation account, Retained Benefit account, Spouse account For current and former employees of Brisbane City Council, Queensland Urban Utilities and other associated employers and their spouses*  
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# Have you given any thought to what might happen to your superannuation benefit in the event of your death?

Without any guidance from you on how you would like your benefit paid, LGsuper is required to pay your benefit according to rules set out in the LGsuper Trust Deed and Australian Government legislation.

We would look for anyone who could be your dependant and make a determination on the appropriate superannuation distribution. This may or may not be how you would have liked your benefit to be distributed.

## Who is a dependant?

A dependant is defined in the LGsuper Trust Deed and Australian Government legislation as:

- any spouse — married, de facto or same sex partner
- any child — including step-children, adopted children, ex-nuptial children, or anyone who fits the definition of a child under the *Family Law Act 1975*
- any person in an interdependent relationship with you, as defined by the Australian Government. See *What is an interdependent relationship?* below.
- your legal personal representative (i.e. Executor of the Will or administrator of the Estate)

## What is an interdependent relationship?

An interdependent relationship is defined by the Australian Government as either:

- a close personal relationship, living together with one or each person providing the other with financial support and one or each person providing the other with domestic support and personal care or
- using the disability test, if there is a close personal relationship, and they do not satisfy one or more of the other elements of the definition because either or both person/s suffer from a physical, intellectual or psychiatric disability.

## Can my adult children receive my benefit?

Yes, your adult children can receive your benefit even if they are not financially dependent on you. You should be aware that tax is payable on benefits paid to non-financially dependent adult children. See the *Tax* section following for more information.

## Can I nominate my parents to receive my benefit?

Generally, parents cannot receive your benefit if they are not considered to be dependants under Australian Government legislation. If you would like your parents to receive your superannuation, you should seek professional advice and make sure you have a valid and up-to-date Will that caters for this.

## Is there a maximum number of beneficiaries?

No, you can nominate as many beneficiaries as you like, so long as your total percentage allocation adds up to 100%.

## Pension account members

If you have not selected a reversionary beneficiary, you can choose to complete a binding death benefit nomination or a preferred beneficiary nomination. View the *Options for nominating who receives your super* section on the next page for more information.

## Tax may be payable depending on who you nominate

Death benefits are tax-free when paid to a dependant as defined by the Australian Tax Office. This definition is slightly different to how the LGsuper Trust Deed and superannuation legislation defines a dependant.

For tax purposes, a dependant is:

- a spouse (married, de facto, same sex partner) or former spouse
- a child under the age of 18 years (including step-children, adopted children, ex-nuptial child, a child of your spouse or your child within the meaning of the *Family Law Act 1975*)
- anyone who was financially dependent on the member at the time of death
- someone in an interdependent relationship with you (see *What is an interdependent relationship?* for details)

When a death benefit is paid to any other person, such as adult children that are not financially dependent on you, the taxable portion of the benefit is taxed at 16.5%. If you are aged 60 or over at death, you still have a taxable component for death benefit purposes.

Death benefits taken as a reversionary pension are taxed differently. Contact LGsuper for more details.

## How is the benefit paid?

Where the beneficiary is:

- a dependant — the death benefit is paid directly to the person/s and does not form part of your estate.
- a legal personal representative — the death benefit is paid directly to your estate and is distributed according to your Will (if you have one).

## Options for nominating who receives your super

You can nominate who you would prefer to receive your super and any insurance benefit payable in the event of your death by making either a preferred or binding death benefit nomination.

### Preferred beneficiary nomination

A preferred beneficiary nomination serves as a guide for LGsuper when deciding who to pay your benefit to. The fund is not legally required to follow your instructions, as we are obliged to identify all dependants and pay your benefit according to rules set out in the LGsuper Trust Deed and Australian Government legislation.

See the *Preferred beneficiary nomination* section below for more details.

### Binding death benefit nomination

A binding death benefit nomination is a legal document which binds the LGsuper Board of Directors to pay your benefit to your nominated beneficiary or beneficiaries provided it is still a valid nomination at the time of your death.

See the *Binding death benefit nomination* section on page 4 for more information.

**It's important to note that whatever type of nomination you complete, the beneficiaries you nominate must be dependants as defined in *Who is a dependant?***

## Preferred beneficiary nomination

A preferred beneficiary nomination is a guide to how you would like your benefit distributed in the event of your death. LGsuper is not bound to pay your benefit to the person/s you have nominated, as we are legally required to identify all of your dependants and pay your benefit according to rules set out in the LGsuper Trust Deed and Australian Government legislation. Your nominated beneficiary or beneficiaries must be dependants as defined by the LGsuper Trust Deed and Australian Government legislation on page 2.

Making a preferred beneficiary nomination is simple, doesn't require renewal unless your circumstances change, and may suit members with family situations that are relatively straightforward. A binding death benefit nomination may better suit those that want greater certainty or who have more complex family situations (for example, ex-partner/s or children of current and former relationships) and are comfortable with resubmitting paperwork at least every 3 years.

### How do I make a nomination?

You can make a preferred beneficiary nomination by completing the *Preferred beneficiary nomination form* at the back of this guide and returning it to us, or by logging onto our secure website LGsuper online.

### Can I change my nomination?

Yes, you can change your nomination at any time, by changing it online or completing a new *Preferred beneficiary nomination form*.

# Binding death benefit nomination

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A binding death benefit nomination legally binds the LGsuper Board of Directors to pay your death benefit to your nominated beneficiary, provided your nomination is valid at the time of your death.

Making a valid binding death benefit nomination involves more effort than a preferred beneficiary nomination, but it does give you greater certainty than a preferred beneficiary nomination. This type of beneficiary nomination suits those that want more control or who have specific requirements or complex family situations (for example, ex-partner/s or children of current and former relationships).

If you make a binding death benefit nomination, it will override any preferred beneficiary nominations.

In the event of your death, if the nomination is found to be invalid, the Board of Directors will use its discretion to determine how your benefit will be paid.

## How do I make sure my binding death beneficiary nomination is valid?

To ensure your nomination is a valid one, it's important that you:

- complete all sections of the *Binding death benefit nomination form* in this guide
- ensure all beneficiaries are dependants (see *Who is a dependant?* on page 2), or your legal personal representative
- ensure your benefit allocation totals 100%
- sign and date the form in the presence of two witnesses, who must be over the age of 18 and not nominated as beneficiaries
- complete a new *Binding death benefit nomination form* if your circumstances change, for example, one of your beneficiaries dies or is no longer a dependant
- complete a new *Binding death benefit nomination form* before 3 years has passed from your last nomination

## How do I make a nomination?

You can make a binding death benefit nomination by completing the *Binding death benefit nomination form* in this guide and returning it to us.

LGsuper will confirm in writing that your nomination is valid and the date it expires. If your nomination is invalid, we will let you know why and how you can make it valid.

## Can I change or cancel my nomination?

Yes, you can change or cancel your nomination at any time, by completing a new *Binding death benefit nomination form* and nominating to amend or cancel your previous nomination.

## What else do I need to know?

It is important to realise a valid binding death benefit nomination is just part of your estate planning. You should also ensure you have an up to date Will to guide how you would like your other assets distributed. LGsuper recommends you seek professional advice before entering into any arrangements regarding the treatment of your estate.

## Any questions?

LGsuper is here to help. Contact us on 1800 444 396 to talk through your options and have your questions answered.

# Binding death benefit nomination form

Use this form to make a binding death benefit nomination, or to amend or cancel an existing binding death benefit nomination. It is important to understand making a binding nomination will override any previous nominations you have made.

**Personal details** LGsuper respects your privacy. All personal information collected is protected in line with the National Privacy Principles and LGsuper's Privacy statement.

<b>Surname</b>	<b>Given name/s</b>	<b>Member number</b>
<b>Postal address</b>		
<b>Suburb/town</b>	<b>State</b>	<b>Postcode</b>
<b>Telephone number (b/h)</b>	<b>Email address</b>	<b>Date of birth</b> DD / MM / YYYY

## Important information about binding death benefit nominations

Provided your binding nomination is valid, LGsuper is legally bound by your nomination to pay your death benefit to the person(s) listed in this nomination and has no discretion in determining to whom your benefit is paid.

### 1 What do you want to do?

- I want to make a new binding death nomination (complete sections 2, 3 and 4)
- I want to amend my existing binding death benefit nomination (complete sections 2, 3 and 4)
- I want to cancel my existing binding death benefit nomination (complete sections 3 and 4)

### 2 Nomination

To ensure your nomination is valid, please refer to the person(s) you can nominate to receive your benefit in the event of your death.

I hereby nominate the following person(s) to receive the proportion specified of the benefit payable in the event of my death in accordance with the LGsuper Trust Deed.

Full name of beneficiary	Beneficiary's address	Relationship to you	Share or proportion of benefit
			%
			%
			%
			%
			%
			%
			%
			%
			%
			100%

### 3 Member declaration

By signing this form I acknowledge that:

- I have read and understood the information contained in the attached *Nominating your beneficiary guide*.
- I understand that this form replaces any previous nomination I have made.
- I understand that this nomination is valid upon acceptance by the LGsuper Board of Directors and is legally binding for 3 years from the date it is signed (unless revoked, replaced or amended) at which time it will expire.
- I understand for this form to be valid, it must be signed by 2 witnesses below.

**Signature**

**Date**

DD / MM / YYYY

### 4 Witness declarations

In signing this form I acknowledge that:

- I am over the age of 18.
- I am not the person nominated on this form.
- The member named above has signed the form in my presence.

#### Witness One

**Surname**

**Given name/s**

**Date of birth**

DD / MM / YYYY

**Signature**

**Date**

DD / MM / YYYY

#### Witness Two

**Surname**

**Given name/s**

**Date of birth**

DD / MM / YYYY

**Signature**

**Date**

DD / MM / YYYY

# Preferred beneficiary nomination form

Use this form to tell LGsuper who you would prefer to receive your superannuation benefit in the event of your death. It is important to understand LGsuper is not bound by this nomination but will use it as a guide.

**Personal details** LGsuper respects your privacy. All personal information collected is protected in line with the National Privacy Principles and LGsuper's Privacy statement.

<b>Surname</b>	<b>Given name/s</b>	<b>Member number</b>
<b>Postal address</b>		
<b>Suburb/town</b>	<b>State</b>	<b>Postcode</b>
<b>Telephone (b/h)</b>	<b>Date of birth</b> DD / MM / YYYY	

## Beneficiary details

Rules set out in the LGsuper Trust Deed and under Australian Government legislation allow us to pay death benefits to your dependent/s. View the attached guide for more information.

Full name of beneficiary	Beneficiary's address	Relationship to you	Share or proportion of benefit
			%
			%
			%
			%
			%
			%
			%
			%
			100%

## Declaration

I understand that I may cancel or vary this nomination at any time. I also understand that LGsuper is not bound by my nomination but will take it into account when deciding who should receive the superannuation benefit.

<b>Signature</b>	<b>Date</b> DD / MM / YYYY
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and your super

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Where there is an inconsistency between this document and the Fund's rules as per the LGsuper Trust Deed and Government regulations, the rules in the Trust Deed and Government regulations shall prevail.