

Death Benefits



REFERENCE GUIDE: This Reference Guide was issued on 1 November 2011 and forms part of the Product Disclosure Statement (PDS) for Division F dated 1 November 2011. The Reference Guide should be read in conjunction with the PDS and is not intended to be read as a document in its own right. The Reference Guide may be updated at any time. You can download the current PDS or Reference Guide from our website osfsuper.com.au or by calling us on 1800 023 928.

A death benefit, which is generally your account balance plus any insurance benefit that may be payable (less any tax that may apply), is payable if you die. It can be paid to any one or more of your dependants and/or your estate. If you have specific wishes about who should receive a death benefit, it's important that you make a non-lapsing death benefit nomination.

Make sure your benefit goes where you want it to

A death benefit from your super does not automatically form part of your estate to be distributed under instructions in your Will (if you have one). The OSF trustee has the discretion to pay a death benefit to any one or more of your dependants and/or your estate.

To provide more certainty about who receives your death benefit, you can make a **non-lapsing death benefit nomination**. This is a legal instruction that directs the trustee to pay your death benefit to the person(s) you nominate, in the proportions that you nominate.

Each person that you nominate must be a valid beneficiary, which means at the date of your death they must be:

- your **'spouse'**, which must be (i) a person who is legally married to you, (ii) a person (whether of the same or opposite sex) with whom you are in a relationship that is registered under a prescribed state/territory relationships register, or (iii) a person (whether of the same or opposite sex) who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple
- your **'child'**, which includes (i) your natural, adopted, ex-nuptial or step-child, (ii) the natural, adopted, ex-nuptial or step-child of your 'spouse' (as defined above), or (iii) a child born to you or your 'spouse' through artificial conception or surrogacy)
- a person with whom you have an **interdependency relationship**, which, according to super law, exists between two people where (i) they have a close personal relationship and they live together and one or each of them provides the other with financial support and one or each of them provides the other with domestic support and personal care, or (ii) they have a close personal relationship and one or both of them suffer from a physical, intellectual or psychiatric disability (as a result of which they do not live together, nor provide financial or domestic support to each other)

- a person who (in the opinion of the trustee) is wholly or substantially **financially dependent** on you, or who has a legal right to look to you for financial support
- your **legal personal representative** (ie. the executor or administrator of your estate).

It is important that you know the following about a non-lapsing death benefit nomination:

- If your nomination is valid and the trustee consents to that nomination, the trustee must follow the nomination in the event of your death. A valid non-lapsing death benefit nomination cannot be overruled by the trustee. However, if you nominate a person who is not your legal personal representative or who is not a dependant when you die, then your nomination will not be valid to the extent that it relates to that person despite any consent granted by the trustee.
- It overrides any death benefit nomination (binding or preferred (ie. non-binding)) that you have previously made in the OSF.
- It can be updated or revoked at any time by completing a new *Non-Lapsing Death Benefit Nomination Form*.

To nominate a beneficiary



Complete a *Non-Lapsing Death Benefit Nomination Form* (available from the back of this Reference Guide or our website)

You must sign the *Non-Lapsing Death Benefit Nomination Form* in the presence of two witnesses, who must also sign the form. Your witnesses must be over age 18 and must not be the beneficiaries you have named on the form.

Beneficiaries are at the trustee's discretion if you die without a valid non-lapsing death benefit nomination

The trustee has the discretion to pay your death benefit to any one or more of your dependants and/or your legal personal representative if, at the time of your death, one of the following applies:

- You have not completed or we have not received and consented to a valid non-lapsing death benefit nomination.
- You have revoked your last non-lapsing death benefit nomination and you have not made a new non-lapsing death benefit nomination.
- The person or persons you have nominated cannot be identified.
- The person or persons you have nominated are not your dependant or legal personal representative (in which case the proportion that would otherwise have been payable to that person is payable at the trustee's discretion).
- The trustee determines that the whole of your non-lapsing death benefit nomination is otherwise invalid.

Note: You may have nominated a beneficiary for your account under different rules in the past:

- If you have previously made a **binding death nomination** for your account, the trustee is bound to pay your death benefit in accordance with that nomination, unless one of the following applies:
 - The binding nomination has been replaced by a valid non-lapsing death benefit nomination (in which case the trustee must pay your death benefit in accordance with the non-lapsing death benefit nomination).
 - The binding nomination has been revoked.
 - The binding nomination is invalid (ie. it is not correctly signed and witnessed, it is more than three years old and has not been renewed or replaced by a non-lapsing binding death nomination, or any of your nominated beneficiaries has died before you or no longer fall within one of the permitted categories).

If one of the situations above applies, the trustee has the discretion to pay your death benefit to any one or more of your dependants and/or your legal personal representative.

- If you have previously made a **preferred nomination** for your account, this may help the trustee decide who should receive your benefit but the trustee *does not* have to follow your nomination. In this case, the trustee has the discretion to pay your death benefit to any one or more of your dependants and/or your legal personal representative.

A benefit is paid to your estate if you don't have any dependants

If you have no eligible dependants to receive a death benefit, it will be paid to your legal personal representative, ie. someone who is authorised to manage your estate in the event of your death. In this case, the death benefit will then be distributed according to any instructions in your Will.

If you do not have a valid Will at the time of your death, this is referred to as dying 'intestate' and legal rules will determine how your assets are distributed. This means that you have no control of who receives your assets. Intestacy rules are complex and differ between states and territories in Australia.

Tax applies if a death benefit is paid to a non-dependant

Taxation of a death benefit depends on whether it is paid to a dependant or non-dependant, as defined by tax laws.

If a death benefit is paid to a...	The following tax applies...
Dependant	The whole benefit is tax-free
Non-dependant	<p>Taxable component (taxed element) is taxed at 16.5%; no tax is payable on any tax-free component.</p> <p>The flood levy may apply to payments between 1 July 2011 to 30 June 2012. Refer to the Reference Guide: How super is taxed for more information.</p> <p>Note: Any untaxed element of the taxable component is taxed at 31.5%.</p>

Note: All tax rates include 1.5% Medicare levy.

Who is a dependant under tax law?

The definition of 'dependant' under tax laws and super laws may be different. When considering the tax implications of a death benefit, you should consider the definition that applies under tax laws.

Tax laws define 'dependant' as:

- the deceased's current or former spouse or de facto spouse (whether of the same or opposite sex)
- the deceased's child under age 18
- any person who was financially dependent on the deceased at the time of death
- any person with whom the deceased had an interdependency relationship at the time of death.

For more information

[View or print copies of this PDS or Reference Guides, forms or other documents](#)

Internet osfsuper.com.au

Intranet CommNet or HR Intranet sites > Employee Benefits > Our Super Fund
(accessible to Group employees only)

[Access your account online](#)

Login osfsuper.com.au

Contact us

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This Reference Guide was prepared and issued by Commonwealth Bank Officers Superannuation Corporation Pty Limited (ABN 76 074 519 798, AFSL 246418), Ground Floor 201 Sussex Street, Sydney NSW 2000, as trustee of the Officers' Superannuation Fund (OSF) (ABN 24 248 426 878, SPIN OSF0001AU). The information in this Reference Guide is general information only and does not take into account your individual objectives, financial situation or needs. You should consider the information contained in the PDS and this Reference Guide and its appropriateness, having regard to your objectives, financial situation and needs, before making a decision about this product or whether to acquire or continue to hold the product. You should seek professional advice tailored to your personal circumstances from a licensed financial adviser. The PDS is available and can be obtained from our website osfsuper.com.au or by calling us on 1800 023 928.

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Important information about non-lapsing death benefit nominations

What is a non-lapsing death benefit nomination?

A *non-lapsing death benefit nomination* is a request by you to the trustee of the OSF to pay your death benefit to the person or persons nominated on the following *Non-Lapsing Death Benefit Nomination Form*. This can provide you with greater certainty on who will receive your death benefit when you die.

The trustee may consent to your nomination if your nomination satisfies the requirements described in the following sections.

We are required to follow your nomination if, prior to your death, you complete and we receive a valid non-lapsing death benefit nomination from you, and we consent to that nomination.

The nomination remains valid until you revoke or make a new nomination.

Who can you nominate?

To be a valid non-lapsing death benefit nomination, each person that you nominate must be a *dependant*, which means at the date of your death they must be:

- your **spouse**, who must be (i) a person who is legally married to you, (ii) a person (whether of the same or opposite sex) with whom you are in a relationship that is registered under a prescribed State/Territory relationships register, or (iii) a person (whether of the same or opposite sex) who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple
- your **child**, which includes (i) your natural, adopted, ex-nuptial or step-child, (ii) the natural, adopted, ex-nuptial or step-child of your 'spouse' (as defined above), or (iii) a child born to you or your 'spouse' through artificial conception or surrogacy
- a person who, in the opinion of the trustee, is wholly or substantially **financially dependent** on you, or who has a legal right to look to you for financial support
- a person with whom you have an **interdependency relationship**, which according to super law exists between two people where (i) they have a close personal relationship and they live together and one or each of them provides the other with financial support and one or each of them provides the other with domestic support and personal care, or (ii) they have a close personal relationship and one or both of them suffer from a physical, intellectual or psychiatric disability (in which case they are not required to live together, nor provide financial or domestic support to each other)
- your **legal personal representative** (ie. the executor or administrator of your estate).

In establishing whether an interdependency relationship exists, all of the circumstances of the relationship are taken into account, including (where relevant):

- the duration of the relationship
- whether or not a sexual relationship exists
- the ownership, use and acquisition of property
- the degree of mutual commitment to a shared life
- the care and support of children
- the reputation and public aspects of the relationship (such as whether the relationship is publicly acknowledged)
- the degree of emotional support
- the extent to which the relationship is one of mere convenience
- any evidence suggesting that the parties intended the relationship to be permanent.

If you are considering relying on an interdependency relationship to nominate a beneficiary, you should consider completing a statutory declaration addressing the points as evidence of whether such a relationship exists.

How to make a valid non-lapsing death benefit nomination

To make a valid non-lapsing death benefit nomination:

- You must be at least 18 years of age.
- You must complete (in writing) the *Non-Lapsing Death Benefit Nomination Form*, available on our website www.osfsuper.com.au or by calling us on 1800 023 928.
- You can only nominate your legal personal representative and/or a person(s) who is your dependant (as defined in the previous section).
- You must provide the full name, date of birth and the relationship that exists between you and each nominated beneficiary.
- You must clearly state the proportion of your death benefit that is payable to each nominated beneficiary and ensure that you have allocated 100% of your death benefit.
- Your nomination must not be ambiguous in any other way.
- You must sign the *Non-Lapsing Death Benefit Nomination Form* in the presence of two witnesses. Each witness must be at least 18 years old and must not be a person that you have nominated as a beneficiary on the form.

For your nomination to be effective, you must send your validly completed *Non-Lapsing Death Benefit Nomination Form* and we must receive and consent to it prior to your death.

You may seek to revoke your nomination or make a new non-lapsing death benefit nomination at any time by completing (in writing) and sending to us a new *Non-Lapsing Death Benefit Nomination Form*, available on our website www.osfsuper.com.au or by calling us on 1800 023 928.

A non-lapsing death benefit nomination is only effective on consent

Before completing a non-lapsing death benefit nomination, it is important to be aware that if your nomination is valid and the trustee consents to that nomination, the trustee must follow the nomination in the event of your death. A valid non-lapsing death benefit nomination cannot be overruled by the trustee.

However, if you nominate a person who is not your legal personal representative or who is not a dependant when you die, then your nomination will not be valid to the extent that it relates to that person despite any consent granted by the trustee.

It is important to review your nomination regularly to ensure it is still appropriate to your personal circumstances and reflects your wishes.

You should review your non-lapsing death benefit nomination or consider making a new nomination if, after making a nomination, one of the following occurs:

- you marry, separate or divorce
- you enter into or are no longer in a de facto relationship (including a same-sex relationship)
- you (or your spouse) has a child
- if someone you nominate has died
- if someone becomes or is no longer financially dependent on you
- if someone enters into or is no longer in an interdependency relationship with you.

Payment of a death benefit

At the time of your death, we will contact the people you have nominated in your non-lapsing death benefit nomination to ensure that they are still a dependant or your legal personal representative. We are also generally required to establish their identity before paying out your death benefit.

If you nominate your *legal personal representative*, your death benefit will be paid to your estate and distributed according to any instructions in your Will. If you do not have a valid Will at the time of your death, this is referred to as 'dying intestate' and legal rules will determine how your assets are distributed (rules are complex and vary between states and territories in Australia). This means that the distribution may be challenged if someone disputes your Will or the distribution of your estate.

If you nominate one or more of your *dependants*, your death benefit will be paid directly to them.

If a death benefit is payable to your spouse, they can choose to take it as a lump sum or in an account-based pension form called a '*reversionary pension*' (subject to any applicable conditions). In the OSF, a reversionary pension is a new pension where the taxable component and minimum annual pension is re-calculated based on your spouse's age.

If a death benefit is payable to a child, they can only receive it as a pension if they are either (i) under age 18, (ii) under age 25 and were financially dependent on you, or (iii) have a certain type of disability. If the child does not meet any of these conditions (or where their personal circumstances change after beginning a pension so that they no longer meet any of these conditions), the death benefit (or remaining benefit, if applicable) is paid as a lump sum.

A Product Disclosure Statement (PDS) describing the features of an OSF pension is available on our website www.osfsuper.com.au or by calling us on 1800 023 928.

If a person you nominated on your *Non-Lapsing Death Benefit Nomination Form* is no longer a dependant at the date of your death, the trustee has discretion to pay the proportion of your death benefit that would have been otherwise payable to that person to any one or more of your dependants (whether you have nominated that person(s) as a beneficiary or not) and/or your legal personal representative.

Tax may be withheld from your death benefit when paid to your dependants or when distributed from your estate. Death benefits are taxed differently depending on how old you are when you die, who you nominate as a beneficiary and how old they are when receiving the benefit, and whether the benefit is paid as a pension or lump sum. More information about tax on death benefits is available in the PDS, available on our website www.osfsuper.com.au or by calling us on 1800 023 928.

If there is no valid non-lapsing death benefit nomination

The trustee has the discretion to pay your death benefit to any one or more of your dependants and/or your legal personal representative (whether you have nominated that person(s) as a beneficiary or not) if one of the following applies:

- at the time of your death, you have not completed or we have not received and consented to a valid non-lapsing death benefit nomination
- you have revoked your last non-lapsing death benefit nomination and you have not made a new non-lapsing death benefit nomination
- the person or persons you have nominated cannot be identified
- the person or persons you have nominated are not your dependant or legal personal representative at the time of your death (in which case the proportion that would otherwise have been payable to that person is payable at the trustee's discretion)
- the trustee determines that the whole of your non-lapsing death benefit nomination is otherwise invalid.

If you wish to nominate more beneficiaries

If you wish to nominate more beneficiaries, you can attach their nomination details to this form.

The attachment must be headed '*Attachment to Non-Lapsing Death Benefit Nomination Form*' and must include your full name and account number, the full names of the nominated beneficiaries, their date of birth, their relationship to you and the percentage of the death benefit to be paid to each person.

The attachment must be signed and dated by you. The same two witnesses who sign section 3 of the *Non-Lapsing Death Benefit Nomination Form* must also sign and date the attachment and include in the attachment the declaration: "I declare that I am over the age of 18 and this non-lapsing nomination was signed and dated by the member in my presence".

This information is general information only and does not take into account your personal circumstances. You may wish to seek professional advice for more information on non-lapsing death benefit nominations and your personal estate planning needs.

Officers' Superannuation Fund Non-Lapsing Death Benefit Nomination Form

11 April 2011

Commonwealth Bank Officers Superannuation Corporation Pty Limited (ABN 76 074 519 798, AFSL 246418, RSEL L0003087) as Trustee for the Officers' Superannuation Fund (OSF) (ABN 24 248 426 878, RSER R1056877).

Please phone OSF Investor Services on 1800 023 928 with any questions about this form.

Please complete this form using **BLACK INK** and print well within the boxes in **CAPITAL LETTERS**. Mark appropriate answer boxes with a cross like the following **X**. Start at the left of each answer space and leave a gap between words.

1. INVESTOR DETAILS

Please apply the nomination made on this form to my:

Division F account* Division F Pension account*

*If you have more than one Division F account or Pension account, you should complete a separate nomination form for each account.

Title Mr Mrs Miss Ms Other Date of birth DD / MM / YYYY

Full given name(s) Surname

Postal address
Unit number Street number PO Box Street name
Suburb State Postcode

Daytime phone number Email

2. NOMINATION DETAILS

If you wish to **REVOKE AND REMOVE** your existing non-lapsing death benefit nomination without replacing it, please cross this box and proceed to Section 3.

No nomination—the Trustee has discretion to pay your benefit to any one or more of your dependants and/or your legal personal representative
OR

If you wish to nominate that **ALL** or **PART** of your benefit is paid to your estate, please cross the box below and nominate the percentage:

Legal personal representative (ie. the administrator or executor of your estate) %

AND/OR provide details of your nominated beneficiaries below

BENEFICIARY 1 – Full name **Date of birth** DD / MM / YYYY **% of benefit** %

Relationship to you (choose ONE only): Spouse Child Financial dependant Interdependency relationship

BENEFICIARY 2 – Full name **Date of birth** DD / MM / YYYY **% of benefit** %

Relationship to you (choose ONE only): Spouse Child Financial dependant Interdependency relationship

BENEFICIARY 3 – Full name **Date of birth** DD / MM / YYYY **% of benefit** %

Relationship to you (choose ONE only): Spouse Child Financial dependant Interdependency relationship

TOTAL of your beneficiary nominations above, including your legal personal representative (if any), must be 100% **1 0 0 %**

Please note: If you wish to nominate more beneficiaries, please refer to the 'Important Information' notes on page 1 for instructions.

3. MEMBER DECLARATION

I understand and declare that:

- If the OSF consents to this nomination, any existing death benefit nomination will be revoked and replaced.
- Any beneficiary nominated by me (other than my legal personal representative) must be a dependant within the meaning of the *Superannuation Industry (Supervision) Act 1993 ("SIS Act")*. A dependant includes my spouse, child, a person who is financially dependent on me or with whom I have an interdependency relationship.
- At the time of making this nomination, the beneficiaries nominated by me are dependants within the meaning of the SIS Act.
- If my nomination is invalid in whole or in part, cannot be followed for any reason or because a beneficiary is no longer a dependant at the date of my death, then that proportion of my benefit will be paid to any one or more of my dependants (whether I have nominated that person(s) as a beneficiary or not) and/or legal personal representative at the Trustee's discretion.
- I may, at any time, revoke or replace a non-lapsing death benefit nomination in accordance with the OSF's procedures and with the consent of the OSF.
- This declaration must be signed and dated by me in the presence of two witnesses who are over age 18 and who are not nominated by me as a beneficiary of my death benefit.
- This nomination applies to the account number(s) identified on this form. This nomination may be transferred with the identified account to another OSF account.
- I have read and understood the current PDS.
- I am over the age of 18.

I acknowledge that the OSF and/or its related entities will not be liable to me or other persons for any loss suffered (including consequential loss) in circumstances where transactions are delayed, blocked, frozen or where the OSF refuses to process a transaction or ceases to provide me with a product or service, including in circumstances where the OSF reasonably believes that I am a Proscribed Person. A 'proscribed person' means any person or entity who the OSF reasonably believes to be (i) in breach of the laws of any jurisdiction prohibiting money laundering or terrorism financing, or (ii) on a list of persons with whom dealings are proscribed by Australian laws or the laws of another recognised jurisdiction. A 'proscribed person' includes any person or entity who the OSF reasonably believes to be acting on behalf of, or for the benefit of, a person or entity referred to in (i) and/or (ii).

A nomination is not considered valid unless your *Non-Lapsing Death Benefit Nomination Form* has been completed correctly and we receive it. Any alterations to your form *MUST* be initialled and dated by you and both witnesses or it will be invalid. A nomination will not be effective until we have consented to it. If you have any questions, please contact OSF Investor Services on 1800 023 928. You should regularly review your nomination to ensure that the nominated beneficiaries remain eligible to receive the portion of your death benefit specified in this nomination and that this nomination accurately reflects your wishes. If you wish to revoke or replace an existing death benefit nomination you must complete and lodge with us a new *Non-Lapsing Death Benefit Nomination Form*. Your existing death benefit nomination will be revoked and replaced on consent being granted by the OSF to the new non-lapsing death benefit nomination.

Signature of member

X

Print name

Date*

DD / MM / YYYY

WITNESS DECLARATION (a witness cannot be nominated as a beneficiary of your death benefit on this form)

I declare that I am over the age of 18 and that this non-lapsing death benefit nomination was signed and dated by the member in my presence.

Signature of witness 1

X

Signature of witness 2

X

Print name

Print name

Date*

DD / MM / YYYY

Date*

DD / MM / YYYY

***Please ensure that the date each of witness signs this form is the same as the date the member signs, otherwise this nomination will not be valid.**

FORM CHECKLIST—PLEASE COMPLETE BEFORE SENDING THIS FORM TO THE OSF

- I confirm that details of my nominated beneficiaries have been provided in **section 2**.
- I confirm the form has been signed by two witnesses in **section 3** and that neither of these witnesses is nominated by me as a beneficiary of my death benefit on this form.
- I confirm that the day each of the witnesses signed this form is the same day I signed the form in **section 3** and the form is dated accordingly.

Please send the completed form to:
OSF Investor Services, GPO Box 4758, Sydney NSW 2001