

What happens to my super if I die?

If you die, any superannuation that you have accumulated becomes payable—this is known as a 'death benefit'.

For people with accumulation (or account) style super (eg. OSF Division F), the death benefit will generally be the balance of the account, less any fees and taxes that may be payable.

For people with defined benefit super (eg. all OSF divisions except Division F), the death benefit will be calculated using a formula governed by the rules of that division.

An insurance benefit may be payable in addition to the superannuation death benefit.

Generally, there are rules around who can receive death benefits, depending on superannuation laws and/or the rules of the superannuation fund.

Who can receive a death benefit?

As a general guide, superannuation law requires that a death benefit is paid to a 'dependant'. A dependant *may* include your spouse (including a de facto spouse) or your children (including adopted or step children).

A dependant may also include someone who is in an 'interdependency relationship' with you. This may be the case if *ALL* of the following conditions are true for you and that person:

- You have a close personal relationship.
- You live together.
- One or both of you provide the other with financial support.
- One or both of you provide the other with domestic support and personal care.

There can also be an interdependency relationship if you and another person have a close personal relationship and one or both of you suffer from a physical, intellectual or psychiatric disability. In this case, you are not required to live together, nor provide financial or domestic support for each other.

Each OSF division has rules around which dependants can receive a death benefit. You should refer to the Product Disclosure Statement or Member Booklet for your division for more information.

How is a death benefit paid?

The rules for your OSF division will determine whether a death benefit can be paid as a lump sum, a pension or a combination.

How much does each dependant receive?

If the rules for your division allow for a death benefit to be paid to one or more dependants, the OSF Trustee will determine the proportion that each beneficiary receives.

Isn't a superannuation death benefit covered by my will?

A death benefit does not automatically form part of your estate to be distributed under instructions in your will.

For some OSF divisions, you may be able to nominate who you would like to receive your death benefit. This is known as a 'preferred beneficiary' and it lets the Trustee know your preference. However, the Trustee does not have to follow your nomination; it may or may not decide to pay the death benefit in accordance with your wishes.

You should remember that any preferred beneficiary you nominate must be an eligible dependant under the rules of your division. You should also keep your nomination current.

To nominate or change a preferred beneficiary

Members of Division F, C, CB, CC, CD, CE, CF, CH, CK, CM, CN or CO can complete a Nomination of Preferred Beneficiary form, available on the [OSF Intranet](#) (Library & Forms) or from OSF Member Services. The Division F form is also available from www.osfsuper.com.au.

What if I don't have any dependants?

If you have no eligible dependants under the rules for your OSF division, your death benefit will be paid to your estate or legal personal representative (ie. someone who is authorised to manage your estate in the event of your death). In these cases, 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'. In this case, legal rules 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.

Is an insurance benefit paid as well?

Subject to eligibility rules, OSF Division F members can generally choose to have insurance cover (except Spouse Members and Allocated Pensioners who are not eligible for insurance). If applicable, an insurance benefit will be paid (in addition to the balance of your account) to your nominated beneficiaries.

Note: Defined benefit members who also have a Division F account (eg. for the purposes of co-contributions or salary sacrifice) are not eligible for insurance cover in Division F.

For the OSF's defined benefit divisions, there will generally be an insurance component to any death benefit that is payable if you are employed by the Bank at the date of your death. If you are a preserved or deferred member (ie. you have left employment with the Bank but left your benefits in the OSF), you should check your Member Booklet to see what benefit is payable if you die.

Note: Payment of any insurance component is subject to a claim being accepted by the Trustee under terms of the Trust Deed and the insurer (where the Trustee has an insurance policy in force).

Does tax apply to a death benefit?

The way that death benefits may be taxed depends on how the benefit is paid and whether it is paid to a dependant or non-dependant (as defined for tax purposes).

If the death benefit is paid as a lump sum

If a death benefit is paid as a lump sum, the following tax may apply:

If it is paid to...	The following tax applies...
A dependant	No tax applies, regardless of your age or the dependant's age
A non-dependant	The taxable component is generally taxed at 16.5% (including Medicare levy).

If the death benefit is paid as a pension

If a death benefit is paid as a pension to your beneficiary, the pension will be taxed based on your age at death and/or the beneficiary's age at the time the pension payment is received.

If...	The following tax applies...
You are aged 60 or over at the time of your death OR Your beneficiary is aged 60 or over when they receive the pension payment.	The pension payments are tax-free.
You are under age 60 at the time of your death AND your beneficiary is under age 60 when they receive the pension payment.	The taxable component of a pension payment is subject to tax at the beneficiary's marginal tax rate. Pension payments will become tax-free once your beneficiary reaches age 60.

How do I find out what applies in my division?

The first thing you should check is the Product Disclosure Statement (PDS) or Member Booklet for your division. This will outline who is eligible to receive a death benefit and any options that may be available to the beneficiary (eg. choice of a pension or lump sum).

PDSs for OSF Division F are available from the OSF intranet or internet (www.osfsuper.com.au). Member Booklets for the OSF's defined benefit divisions are available from the OSF intranet.

If you have any questions or if you need more information, you should contact OSF Investor Services on telephone 1800 023 928 or email osfms@colonialfirststate.com.au.

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