

Selecting a reversionary beneficiary

A reversionary beneficiary nomination can provide you with greater certainty about who will receive your benefit in the event of your death.

What this fact sheet does

This fact sheet explains the rules that apply to reversionary beneficiary nominations.

Who is it for?

This fact sheet is for UniSuper Flexi Pension members.

Important note

As there may be taxation, Centrelink, Department of Veterans' Affairs and other implications to consider when nominating your beneficiaries, we recommend seeking financial advice before making your nomination.

What is a reversionary beneficiary nomination?

The Trustee of UniSuper is required by law to pay the remaining balance of your pension account (if any) to one or more of your dependants and/or your legal personal representative, in the event of your death.

If you would like the balance of your pension to continue to be paid to one of your eligible dependants after your death as a pension rather than a lump sum, you can nominate your dependant as your reversionary beneficiary. This provides both you and your nominated reversionary beneficiary with the certainty of receiving an ongoing income stream. Once the pension is converted to your reversionary after your death, the reversionary has authority to manage the account (e.g. make investment switches, change the annual pension income, make withdrawals, etc.) in the same way as the original pensioner.

Who can I nominate as a reversionary beneficiary?

Eligible dependants to receive a reversionary pension include:

- your spouse,
- your child under 18,
- a financial dependant (at the time of your death) or

- an interdependent (both at the time of nomination and at the time of your death).

You can't nominate a child age 18 or over unless

- they're between age 18 and 25 and financially dependent on you immediately before your death, or
- they are disabled within the meaning of the *Disability Services Act 1986 (Cth)*.

Where a pension is payable to a child between 18 and 25, the child will receive the pension until they reach 25 unless the account balance is reduced to zero earlier. Once the child turns 25, a lump sum will be paid to them unless the child is disabled (as described above), in which case the pension can continue to be paid to the disabled child until the account balance expires.

Your nominated reversionary beneficiary must be an eligible dependant at the date of your death. If this is not the case then the Trustee will use its discretion as to who will receive your death benefit.

If you have made a binding death benefit nomination in relation to other UniSuper accounts, it will not apply to your Flexi Pension account if you choose the reversionary option for your Flexi Pension account(s). Furthermore, if a reversionary beneficiary is not an eligible dependant at the time of your death then the Trustee will use its discretion as to whom the death benefit will be paid. It will not be paid in accordance with any binding death benefit nomination you may have made in respect of your other UniSuper accounts.

If you choose the reversionary option, your entire death benefit will be paid as a pension to your reversionary beneficiary. You cannot apportion your death benefit between your reversionary beneficiary and other dependants.

Definitions of dependants

Spouse

The definition of spouse for a UniSuper member is:

- a person to whom you are legally married
- a person, whether of the same sex or opposite sex, with whom you are in a relationship that is registered under an Australian State or Territory law, and
- a person, whether of the same sex or opposite sex, with whom you are not legally married but who lives with you on a genuine domestic basis as a couple.

Child

A child in relation to a UniSuper member or the member's spouse includes a child, adopted child, foster child, ward or child within the meaning of Family Law legislation.

Financial dependant

A financial dependant is any person – other than your spouse or child (irrespective of age) – who, in the opinion of the Trustee, is or was in any way financially dependent on you at the date of your death.

Interdependent

An interdependent is any person who was in an interdependency relationship with you at the time of nomination and at the time of your death. An interdependency relationship may exist between two people (whether or not related by family) if:

- they live together in a close personal relationship, 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.

If two people have a close personal relationship but don't live together or provide this support or care because either or both of them suffer from a physical, intellectual or psychiatric disability, they may still be deemed to have an interdependency relationship. Before any benefit can be paid to a person with whom you had an interdependency relationship, the Trustee requires a statutory declaration that sets out the nature of your interdependency relationship.

You can make this statutory declaration at the same time you make your nomination, or it can be made by the person with whom you had an interdependency relationship after your death. The *Statutory declaration for interdependency relationships* form is available from our website at www.unisuper.com.au.

What happens if I have a binding nomination?

If you have made a binding death benefit nomination in relation to other UniSuper accounts, it will not apply to your Flexi Pension account if you choose the reversionary option for your Flexi Pension account(s). Furthermore, if a reversionary beneficiary is not an eligible dependant at the time of your death then the Trustee will use its discretion as to whom the death benefit will be paid. It will not be paid in accordance with any binding death benefit nomination you may have made.

About anti-detriment payments

UniSuper will pay an additional amount, referred to as an anti-detriment payment, in addition to the lump sum death benefit arising from a Flexi Pension, if the lump sum death benefit is paid to certain beneficiaries of the deceased member. The anti-detriment payments represent a reimbursement of the contributions tax that the Fund paid on the deceased members' taxable contributions.

An anti-detriment payment will not be made on your death if you have nominated a reversionary beneficiary. Instead, your pension will continue to be paid, according to your instructions, to your reversionary. However, on the subsequent death of your reversionary, an anti-detriment payment may be paid to certain beneficiaries of the reversionary pensioner.

How do I nominate a reversionary beneficiary?

Before you make the decision to nominate, update or remove a reversionary beneficiary, we recommend that you speak to a licensed financial adviser, as there may be Centrelink or the Department of Veterans' Affairs implications. This may impact on the pension income amount that is assessable for the income test. It is your responsibility to keep Centrelink or the Department of Veterans' Affairs informed if required.

To add or remove a reversionary beneficiary, complete the *Adding or removing a reversionary beneficiary* form, available from www.unisuper.com.au. If you have more than one pension, nominations need to be made for each pension account on separate forms.

What's best for me?

UniSuper members have exclusive access to comprehensive financial advice through UniSuper Advice. If you'd like some advice about your pension account, based on your specific needs and circumstances, contact UniSuper Advice on 1300 331 685.

Keep your nomination up to date

It is important to keep your nomination up to date, especially if your circumstances change – for example, if you get married, change partner, or if someone you have nominated dies or ceases to be a dependant. You can update your nomination on an *Adding or removing a reversionary beneficiary* form at any time.

Need more information?

If you have any questions about how to make a reversionary beneficiary nomination, please call the UniSuper Helpline on 1800 331 685 between 8.30 am and 5.30 pm (AEST) Monday to Friday.



Find out more www.unisuper.com.au enquiry@unisuper.com.au 1800 331 685

This information is of a general nature only and includes general advice. It has been prepared without taking into account your individual objectives, financial situation or needs. Before making any decision in relation to your UniSuper membership, you should consider your personal circumstances, the relevant product disclosure statement for your membership category and whether to consult a licensed financial adviser.

This information is current as at December 2011 and is based on our understanding of legislation at that date. Information is subject to change. To the extent that this fact sheet contains information which is inconsistent with the UniSuper Trust Deed and Regulations (together the Trust Deed), the Trust Deed will prevail.

Issued by: UniSuper Management Pty Ltd ABN 91 006 961 799, AFSL No. 235907 on behalf of UniSuper Limited the trustee of UniSuper, Level 35, 385 Bourke Street, Melbourne VIC 3000.

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Trustee: UniSuper Limited, ABN 54 006 027 121

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Adding or removing a reversionary beneficiary



Complete this form to add or remove a reversionary beneficiary to/from your Flexi Pension account. Pensioners with Term Allocated Pensions or Indexed Pensions cannot vary, add or remove a reversionary beneficiary.

Important information

You should refer to the *Selecting a reversionary beneficiary* fact sheet before completing this form.

Please note: Adding or removing a reversionary beneficiary may impact on the amount of your pension income that is assessable for Centrelink or the Department of Veterans' Affairs income test so you should consult a financial adviser.

If you make a valid reversionary beneficiary nomination, any binding nomination that was in place in relation to your UniSuper account will not apply to your Flexi Pension with a reversionary. However, the binding nomination will continue to apply to your other UniSuper accounts.

SECTION 1 — Member details

▶▶ Please use BLACK or BLUE BALL POINT PEN and print in CAPITAL LETTERS.

Cross where required X

Title: Mr Mrs Ms Dr Professor

Other

Surname

Given names

Date of birth (DD/MM/YYYY)
 / /

Residential address, number and street (not PO Box)

Suburb/Town

State Postcode

Country (if not Australia)

SECTION 1 — Continued

Is your postal address different from your residential address?

No ▶ Go to SECTION 2

Yes ▶ Please provide your postal address below

Postal address, number and street (or PO Box if applicable)

Suburb/Town

State Postcode

Country (if not Australia)

Daytime contact number
()

UniSuper pension number
(If you are unsure of your member number, refer to your most recent Benefit Statement or call the Helpline.)

SECTION 2 — Add or remove beneficiaries

Do you wish to: (Select one box only)

Add a reversionary beneficiary ▶ Go to SECTION 3

Remove an existing reversionary beneficiary ▶ Go to SECTION 4

form continues →



SECTION 3 — Adding a reversionary beneficiary

▶▶ Please refer to *Your guide to pensions* for details on who you can nominate as your beneficiary. You can only nominate one of your eligible dependants as your reversionary beneficiary.

In the event of my death, I direct the Trustee to pay my benefit in accordance with the following direction:

Beneficiary:

Surname

Given names

What is the beneficiary's relationship to you? (Select one box only)

- Spouse
 Child
 Financially dependent
 Interdependency relationship

Address number and street (not PO Box)

Suburb/Town

State Postcode

Country (if not Australia)

Date of birth (DD/MM/YYYY)

SECTION 4 — Removing an existing reversionary beneficiary

▶▶ If you remove your existing reversionary beneficiary nomination, in the event of your death, the Trustee must pay your benefit to one or more of your dependants and/or legal personal representative, in proportions determined by the Trustee.

I direct the Trustee to remove the following beneficiary nomination from my Flexi Pension account:

Beneficiary:

Surname

Given names

Please note: Any binding nomination which you have on other accounts will not apply to your Flexi Pension account unless you specifically request it to.

SECTION 5 — Member declaration and signature

▶▶ Please read this declaration before you sign and date your form.

In adding or removing this reversionary beneficiary, I acknowledge that:

- I have read *Your guide to pensions*.
- I can only nominate one of my dependants.
- The dependant nominated must be an eligible dependant at the date of my death.
- My reversionary beneficiary nomination will not be in effect until it has been received and accepted by the Trustee.
- It is my responsibility to ensure that my reversionary beneficiary nomination is valid.
- I can remove or amend my reversionary beneficiary nomination at any time.
- If my reversionary beneficiary nomination is not valid for any reason at the date of my death, the Trustee must pay my benefit to one or more of my dependants and/or legal personal representative in proportions determined by the Trustee.
- I consent to my personal information being used in accordance with UniSuper's Privacy Policy.

Signature

X

Date (DD/MM/YYYY)

Return your form to:

UniSuper
Level 35, 385 Bourke Street
Melbourne VIC 3000