

Making a Death claim

Fact Sheet

About this fact sheet

A death benefit is made up of a deceased member's account balance and any insurance benefit payable (if they had active insurance cover). If you believe you may be eligible to apply for a death benefit, this Fact Sheet provides you with important information about who is eligible to claim and how to apply to the Trustee for a death benefit from TelstraSuper, including the time it takes to assess and pay a claim.

We're here to help

We understand that losing a loved one is difficult and that this may be an emotional time, so we're here to help guide you every step of the way. If you have any queries or need assistance with the claim process, please contact us during business hours (Melbourne time) - visit telstrasuper.com.au/contact-us. You can also speak to an adviser from TelstraSuper Financial Planning to discuss your options, if you choose.

Please read the 'Important Information' in this Fact Sheet before you call.

Steps in the claim process

1 Call us on 1300 033 166 to notify us and check eligibility to apply

If you're not sure if you are eligible to apply, call us and we will help you.

Have the following information about the deceased member:

- ✓ TelstraSuper member number
- ✓ Date of birth
- ✓ Date of death
- ✓ Name & contact details of the dependants

Steps in the claim process continued

2 We will connect you with a case manager

Your case manager will ask you initial questions and send you claim forms to complete and return together with the other documents listed here.

We require the documents listed to the right to understand who might have been financially dependent or interdependent on the member at the time of their passing, so that an informed decision can be made about how death benefits are paid. This may include how you or the member supported each other including expenses you covered for each other, or statutory declarations from third parties to confirm relationship status. We will also need bank account details to make the payment into.

Additionally, if there is any likelihood of your claim being contested by someone else known to the member, please provide this as early as possible as it will speed up the process and prevent having to provide extra information later in the process.

For information on how to get documents certified go to telstrasuper.com.au/proofofid

Please provide the following documents:

- ✓ certified copy of the final Death Certificate
- ✓ certified copy of the Will (if applicable)
- ✓ certified copy of the deceased member's Birth Certificate or other proof of identity
- ✓ certified copy of the Marriage certificate or Divorce certificate (if applicable)
- ✓ completed Dependents Notification form.

3 Claim Review & Assessment

Your TelstraSuper case manager will assess and manage your claim. If the deceased member had death insurance, we'll submit the claim to our insurer for its assessment. If there are any questions to be resolved, your case manager will contact you.

Timeframes

We aim to finalise the death claim as quickly as possible. The time it takes to assess the claim depends on the complexity of the circumstances and on obtaining all the required information from beneficiaries as well as whether the proposed distribution meets legislative requirements. The circumstances of a death claim application can range from very straightforward to very complex.

- The earliest timeframe, for a very straightforward claim where the member has provided the Trustee with a valid Binding Death Benefit Nomination, and the beneficiary provides all documents quickly, can be two months.
- The longest timeframe, where there are multiple competing beneficiaries with complex circumstances and delay in providing the required documents, can be two years or more.
- Most often, the timeframe for processing a claim is under six months.

4 Decision

In the absence of a valid binding death benefit nomination, we'll make a decision about who is eligible to receive a payment, and how much each claimant will receive. Our decision will be based on reviewing all the information received from each claimant and we'll follow superannuation legislation and the rules of TelstraSuper. All those who have told us of their interest in the death benefit will be notified of the decision.

Lodging an objection

If an interested person objects to the Trustee's decision, they have 28 days from receiving our notice to lodge their objection or to raise a complaint by contacting us.

We will review any objections but if the interested person is still not satisfied with the final decision, they can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA is an independent body set up by the government to assist in the resolution of certain complaints in relation to superannuation.

5 Payment

Once all objections have been resolved, TelstraSuper can make the payment.

Payment will be made after TelstraSuper receives payment instructions – including satisfactory identification documents - from all those that the Trustee has decided to pay.

If there is an unreasonable delay in receiving the payment instructions from a beneficiary, the Trustee may pay a portion of the death benefit to the Australian Taxation Office (ATO) as Unclaimed monies. The beneficiary can apply to the ATO to have it paid directly to them.

What is a death benefit?

A superannuation death benefit consists of the member's superannuation account balance (less any appropriate charges and taxes) plus any Death insurance benefit (if the member was covered). The Trustee of TelstraSuper must make the decision about who it will be paid to.

The superannuation death benefit does not form part of the deceased estate and is not paid in accordance with the member's wishes in their Will. However, the Trustee may be guided by the member's Will. TelstraSuper can only pay a death benefit as permitted by the Superannuation Industry Supervision Act 1993 (SIS Act) (the Act which governs superannuation), TelstraSuper's Trust Deed (the legal document which sets out the rules of the Fund), and the Income Tax Assessment Act 1997 (Tax Act). In the Tax Act, the meaning of the term 'dependant' is slightly different to the meaning in the SIS Act. The Tax Act does not automatically count a child over 18 as a dependant whereas the SIS Act classifies any child of the member as a dependant.

How is a death benefit paid?

This can be paid as either:

- a lump sum, or
- an income stream (if eligible). Refer to the **TelstraSuper RetireAccess Product Disclosure Statement** to see who is eligible to receive a death benefit income stream and speak to your case manager if you're interested in this option.

Who can claim a death benefit?

A death benefit can only be paid to dependants of the member and/or their Legal Personal Representative (LPR) where such people exist, or if no such persons exist, another person.

Who is a dependant?

Under superannuation law a 'dependant' means:

- "dependant, in relation to a person, includes the spouse of the person, any child of the person and any person with whom the person has an interdependency relationship."
- "spouse of a person includes:
 - (a) another person (whether of the same sex or a different sex) with whom the person is in a relationship that is registered under a law of a State or Territory prescribed for the purposes of section 2E of the Acts Interpretation Act 1901 as a kind of relationship prescribed for the purposes of that section; and

- (b) another person who, although not legally married to the person, lives with the person on a genuine domestic basis in a relationship as a couple."

- "child, in relation to a person, includes:
 - (a) an adopted child, a stepchild or an ex-nuptial child of the person; and
 - (b) a child of the person's spouse; and
 - (c) someone who is a child of the person within the meaning of the Family Law Act 1975."
- Two persons (whether or not related by family) have an interdependency relationship if:
 - (a) they have a close personal relationship; and
 - (b) they live together; and
 - (c) one or each of them provides the other with financial support; and
 - (d) one or each of them provides the other with domestic support and personal care."

Any person who was dependent on the member within the ordinary meaning of the word "dependent" also comes within this definition – including being financially dependent on the member. It is also possible you may be considered a 'financial dependent' under the SIS Act and not under the Tax Act. The Tax Act stipulates that tax is payable for a child over 18 unless they qualify as a financial dependent or interdependent. If evidence proving financial dependency is not provided at the time of claiming, tax will be deducted when a payment decision is made.

What is financial dependency?

A person who substantially relied on the member for financial support where the dependent was unable to meet their normal living expenses without the financial support of the member, such as for payments of bills, rent or mortgage. TelstraSuper requires evidence of financial dependency. To be considered a financial dependant, you will need to provide a Statutory Declaration outlining how you were financially dependent on the deceased member for your everyday living needs, along with certified copies of supporting documentation such as copies of bank statements, bills, or statement of income and expenses.

What is a Legal Personal Representative (LPR)?

Generally, this is the person who is representing the deceased member or managing the deceased estate, because either:

- they are named in the deceased member’s Will as the executor or
- they have been appointed by the relevant Court with a grant or Probate or Letters of Administration.

TelstraSuper may request a copy of the Grant of Probate or Letters of Administration from the LPR.

What is probate?

Probate is a document issued by the relevant Court certifying the Will is valid and can be acted upon. It also confirms the appointment of the executor/s.

What if the member has nominated preferred beneficiaries?

TelstraSuper will consider all nominations by the member, however, not all nominations are binding on the Trustee.

What if the member has made a binding death benefit nomination?

TelstraSuper will pay the person/s as nominated, as long as the nomination is valid at the time of death. To be valid, the person/s nominated as beneficiaries must be dependants, financially dependent or the legal personal representative of the deceased.

What if the dependant or beneficiary is a minor?

TelstraSuper’s rules require the legal guardian to claim on behalf of a minor. Generally, a payment for a minor child is paid to the legal guardian for the minor’s advancement, education and maintenance. However, in some instances TelstraSuper will require a formal child trust be established for the protection of the minor child until the age of 18.

How is a death benefit taxed?

The table below shows how the taxable component of a Death payment may be taxed if paid as a lump sum.

Tax on a death benefit payment as a lump sum	
If the amount is paid to:	Is tax payable?
<ul style="list-style-type: none"> • a surviving spouse or de facto • former spouse or de facto • any child (under 18) of the deceased • any person financially dependent on the deceased at the time of death • any person in an interdependent relationship with the deceased at the time of death. 	No
The trustee of the deceased estate where the beneficiaries are dependants of the deceased.	No
A person who is not a tax dependant of the deceased.	Yes. To view current tax rates, search ‘Tax on super death benefits’ via www.ato.gov.au

We recommend you read our **Frequently Asked Questions** available on our website.

Tax on a death benefit payment as an income stream

If the amount is paid to:	Is tax payable?
A dependant aged 60 or over	No ¹
A dependant under the age of 60	The taxable components of the income will be taxed at marginal rates less a possible tax offset.
A dependant child of the deceased under the age of 25	The benefit payment must be paid as a lump sum (tax free) when the beneficiary turns 25 unless the dependant child has a qualifying disablement. If this is the case the child can elect to take a lump sum or continue the income stream.
A non-financial dependant	Must be paid as a lump sum and can't be received as an income stream.

¹ If there's an untaxed element in the taxable component, this element will be taxable at marginal tax rates less a possible tax offset.

We're here to help

If you have any queries or need assistance with the claim process, please contact us during business hours (Melbourne time).

📞 1300 033 166 ✉️ **tsclaims@telstrasuper.com.au**



Call us
1300 033 166



Email us
tsclaims@telstrasuper.com.au



Visit the website
telstrasuper.com.au