

# Claiming a superannuation death benefit guide



**This document will guide you through the death benefit claims process and outline the documents and information needed.**

Losing a loved one can be an extremely challenging and emotional time. We're here to help you through the process of making a claim and will strive to have this claim paid as quickly as possible.

## What is a death benefit?

A superannuation death benefit is a payment made after a member passes away. It consists of:

- their super account balance, plus
- any insurance cover they may have had at the time of their death.

Death benefits don't automatically form part of a deceased member's estate and are not always paid in line with a member's wishes in their Will.

We can only pay a death benefit as allowed by:

- the *Superannuation Industry Supervision (SIS) Act 1993* (the Act governing superannuation),
- the HESTA Trust Deed (the legal document which sets out the rules of the Fund) available at [hesta.com.au/disclosures](https://hesta.com.au/disclosures) or by calling 1800 813 327, and
- the *Income Tax Assessment Act (ITAA) 1997*.

## How is a death benefit paid?

It can be paid as either:

- a lump sum, or
- via an income stream for certain eligible dependants, or
- as a rollover to another super fund.

For more information about the HESTA Income Stream, go to [hesta.com.au/income-stream](https://hesta.com.au/income-stream)

## Who can claim a benefit?

There are strict legislative requirements and fund rules that guide how we decide who can receive a member's death benefit.

We can only pay a death benefit to eligible dependants of the member or their legal personal representative (LPR). If a dependant or an LPR can not be identified after making reasonable enquiries, we may pay the benefit to another person.

## Who is a dependant?

A dependant includes:

- a spouse (includes same-sex and de facto spouse)
- a child including an adult child, adopted child, a stepchild, an ex-nuptial child of the member, and a child of the member's spouse
- any person who was financially dependant on the member to help them meet their daily living expenses and any shared financial commitments
- any person who had an interdependency relationship with the member at the time of their death.

### What is an 'interdependency relationship'?

Two people may have an interdependency relationship if they have a close personal relationship, live together, and one or both provides the other with financial support, domestic support and/or personal care.

A close personal relationship may be considered an interdependency relationship if either or both persons have a physical, intellectual or psychiatric disability.

An interdependency relationship does not generally apply to housemates, parents or adult children.

### What is a legal personal representative (LPR)?

Generally, this is the person who is managing the deceased member's estate. The LPR is either:

- the executor, if the deceased member left a valid Will, who will be granted Probate (authorising the executor to manage distribution of the member's estate in accordance with the Will), or
- the administrator, if the deceased member died without a Will, who has been granted Letters of Administration.

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

A binding death benefit nomination is a formal and legal instruction from the member to HESTA instructing us who we must pay their superannuation benefit to when they die.

The nomination must be valid at the time it was made and at the time of the member's death.

If the deceased member did not make a binding death benefit nomination or the nomination is not valid, we'll need to consider all dependants and personal relationships of the member when deciding who the benefit can be paid to.

### Tax on lump-sum payments

Any tax withheld is based on the circumstances of the person to whom it is paid to and may be different for each beneficiary. Tax is not calculated or withheld on the 'taxed' component of the deceased member's superannuation balance.

Paid to:	Is tax payable?
Dependant of the deceased member including: <ul style="list-style-type: none"><li>• spouse or former spouse</li><li>• a child (under 18)</li><li>• any person financially dependent on the deceased member at the time of death</li><li>• any person in an interdependency relationship with the deceased member at time of death.</li></ul>	No
Non-dependant (includes a child above the age of 18)	Yes
Legal Personal Representative	Tax payable will depend on whether the beneficiary is a dependant or non-dependant of the deceased. While HESTA does not deduct tax, the Estate may do so at the time the benefit is paid to the beneficiaries of the Will.

# What happens when a death benefit claim is made?

Upon notification of a member's death, our *Superannuation death benefit claim form* is sent to potential claimant/s. The form is designed to collect information about the member's personal relationship so that we can identify all the relevant interested parties who can be considered according to the Trust Deed.

## The claims process

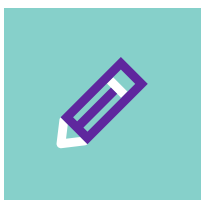


### 1. Contact us:

Start by giving us a call on 1800 813 327, Monday to Friday 8.30am – 5.30pm AET to raise the claim.

You'll need to have the deceased member's account information ready so we can make sure we are referring to the right person. This includes their name, membership number, date of birth, date of death, and address.

We'll ask you some questions about the deceased member's situation at death and their potential dependants to help guide the supporting information we'll need.



### 2. Claim form and documents:

We'll send you the claim form and let you know what other documents are required together with the current details of the member's account. Refer to the Document Checklist on page 6 for information on the documents we will need certified. We can only assess the claim once we have received all necessary documents.



### 3. Claim assessment:

We will start assessing the claim once we have received all the necessary documents including the completed claim form. When we receive formal notification of death, we'll switch the member's investment options to the HESTA Cash and Term Deposits investment option so the account balance is less likely to be impacted by any investment market movements.

While we try to collect as much information that might be needed through the initial forms. Sometimes where there are multiple potential beneficiaries or family complexities, clarification or other documentation may be required. We'll keep you updated throughout the assessment and ensure you understand why we might be asking for certain information. The Trustee will only ask for information that it needs to be able to reach a decision about the eligible beneficiaries and the distribution of the payment.

It is important that we receive accurate and complete information to avoid delays.

At the same time as we assess the deceased member's personal relationships, we will also submit the claim to our insurer to assess whether an insurance benefit is payable. If approved, the insurance benefit will be added to the late member's account from the date it is received from the insurer. Any insured benefit received is also invested in the Cash and Term Deposits investments option.

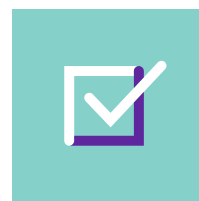
We aim to assess new information we receive within 5 business days.



### 4. Decision:

Once we have the information we need, the Trustee will assess and decide who the benefit will be paid to, and in what portion if there are multiple beneficiaries.

The proposed decision will be provided in writing to all parties that submitted an interest to claim. In some circumstances we will give them 28 days to accept the decision or lodge an objection. If an objection is raised, we'll consider the objection and any evidence supporting it. We have 90 days from the expiry of the 28 day period to review the claim and either confirm or vary our original decision. The benefit will not be paid until we confirm or vary our decision. If any parties remain dissatisfied with the outcome, they can lodge a further objection with the Australian Financial Complaints Authority (AFCA) for an independent review. If no objections are received within the 28 day period the claim will proceed with payment.



### 5. Payment:

We pay death benefits electronically. We'll ask all beneficiaries to provide their preferred banking details by completing a payment form.

**We take all measures to resolve all claims as quickly as possible. Depending on the number of persons claiming the benefit and how quickly we can obtain the necessary information to make a decision, it can take approximately 3-6 months to fully assess a claim. For complex cases, involving multiple beneficiaries, it may take longer.**

## More information on dependants

### De-facto

Under superannuation law, a spouse includes a person who is legally married to the deceased member; or a person who, although not legally married to the person, lived with the person on a domestic basis in a relationship as a couple.

**When reviewing whether two people were living with each other on a genuine domestic basis in a relationship as a couple, we consider:**

- the duration of the relationship;
- the nature and extent of the common residence;
- whether a sexual relationship exists;
- the degree of financial dependence or interdependence;
- the ownership, use and acquisition of property or any other assets;
- the degree of mutual and future commitments to a shared life;
- the care and support of children; and
- the reputation and public aspects of the relationship.

### Case study



**Susan is in a relationship with John and they have resided together for over 12 months.**

**While they don't share all of their finances, John and Susan both contribute to the living expenses and are public about their intention to continue their relationship.**

Susan has not made a binding death benefit nomination on her HESTA account.

Susan has three adult children from a previous relationship, who are all financially independent.

We will consider whether John and Susan lived together on a genuine domestic basis in a relationship as a couple. As part of this consideration, we may ask for evidence that John and Susan were living together and sharing responsibility for their living expenses. We may also ask John and people in John and Susan's life to confirm the nature of the relationship.

### Did you know?

Susan could have completed a binding death nomination and provided HESTA with instructions on how she wanted her benefit paid.

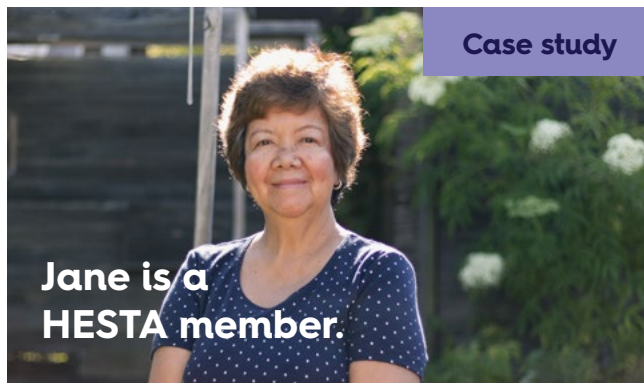
## Financial dependency

Anyone who was being financially supported by the deceased member just before the member died, and who had a reasonable expectation that this support would be ongoing, would generally have high priority in the distribution of a death benefit.

This may include a surviving spouse, minor children or adult children who were receiving ongoing and regular financial support from the member with an expectation for it to continue.

In most cases a child under age 18 is financially dependent however a child of any age can provide evidence of ongoing financial support such as further education expenses.

The extent and expected duration of financial support is a relevant factor we'll consider. For this reason, a surviving spouse who reasonably might have expected to share in the deceased member's retirement income, is often allocated a larger portion.



**Jane is a HESTA member.**

**Jane's adult daughter Samantha lives on government income support benefits and Jane supports Samantha by regularly paying for her rent and depositing money into her bank account.**

Jane passes away unexpectedly. Without a valid binding nomination on Jane's account, Samantha needs to provide evidence in the form of regular deposits from Jane and payment of expenses to show she relied on her mum for financial support with no expectation of repayment of this support. HESTA may acknowledge that Jane is a financial dependant.

## Interdependency

**Two persons are considered to have an interdependency relationship if:**

- 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 support and care of a type and quality normally provided in a close personal relationship, rather than by a friend or flatmate.

**An interdependency relationship may also exist if two people have a "close personal relationship" which does not meet the other criteria, because:**

- they are temporarily living apart; or
- either or both of them suffer from a disability.

Children are generally not considered to have an interdependency relationship with their parents. However, in some circumstances parents caring for a disabled child or a child suffering from a serious illness, whether an adult or minor child, may be considered interdependent. In these cases, a parent will usually provide extraordinary support that surpasses the support provided in a normal parent/child relationship. Equally, a child may live with an aged or frail parent, and have a permanent commitment to caring for the parent for the parent's lifetime.



**Patricia and Jean are sisters who live together.**

**They share expenses and have a close relationship. Patricia is a HESTA member.**

Patricia is diagnosed with a chronic medical illness and Jean takes Patricia to her medical appointments. Jean continues to provide Patricia with everyday needs care, such as (but not limited to) contributing to household expenses such as rent/mortgage, utilities and groceries, cooking meals, personal hygiene, and emotional support, while she is unwell.

Sadly, Patricia passes away. After reviewing all of the evidence, HESTA may recognise that Jean and Patricia had an interdependency relationship.

# Document checklist

Before submitting a claim, review the below list to ensure that you have collected all required documents. If you have trouble obtaining any of these documents, please contact us so we can assist.

Evidence of	Documents and considerations
<b>Deceased member death and identity</b>	<ul style="list-style-type: none"><li>• A certified copy of the death certificate with the cause of death included.</li><li>• A certified copy of the deceased member's proof of age. This can be a passport, driver licence or proof of age card.</li></ul>
<b>Will</b>	<ul style="list-style-type: none"><li>• A certified copy of the late member's Will, if there is one.</li></ul>
<b>Spouse</b>	<ul style="list-style-type: none"><li>• A certified copy of the Marriage Certificate.</li><li>• A certified copy of the Decree Nisi/Divorce Certificate (if applicable).</li></ul>
<b>De facto</b>	<ul style="list-style-type: none"><li>• Proof of registration of the relationship under a law of a State or Territory (not mandatory but if it exists, this is enough proof for us and no further proof is necessary).</li><li>• A statutory declaration completed by two of the following: the de-facto, family members, friends or legal adviser/accountant/minister of religion, verifying the member lived with the person on a genuine domestic basis as a couple, including the nature and duration of the relationship.</li><li>• To support your claim, please provide the following documents where they apply to your relationship:<ul style="list-style-type: none"><li>(a) evidence of joint finances including copies of bank statements, mortgage/lease, household utilities; ;</li><li>(b) evidence of joint loan documents for major assets like homes, cars or major appliances, that may be in both names;</li><li>(c) proof you have told government, public or commercial bodies about the existence of your relationship.</li></ul></li></ul>
<b>Child</b>	<ul style="list-style-type: none"><li>• A certified copy of the birth or adoption certificate(s).</li><li>• For adult children we will also require evidence of financial dependency if claiming to have been financially dependent – refer to Financial Dependency.</li><li>• For stepchild or ex-nuptial child, marriage certificates and birth certificates to show the relationship between the deceased member and the parent of the stepchild.</li></ul>
<b>Interdependency</b>	<ul style="list-style-type: none"><li>• Fully completed Interdependency Questionnaire including execution of the statutory declaration at the end of the Claim Form.</li></ul>
<b>Financial Dependency</b>	<ul style="list-style-type: none"><li>• A statutory declaration/s providing details as to how the claimant relied on the member to meet or assist in meeting daily living expenses, such as utility and household expenses, rent and shared financial commitments (mortgage payments and other loans). The statutory declaration should clearly state the frequency and the amount of financial support provided by the deceased member or late member. To support your claim, please provide evidence of financial support. This may be copies of bank statements that demonstrate regular transfers from the deceased member member or evidence of payment of expenses.</li></ul>
<b>Legal Personal Representative</b>	<ul style="list-style-type: none"><li>• A certified copy of the late member's Will, if there is one.</li><li>• A certified copy of the Grant of Probate or Letters of Administration. If you have not yet received Grant of Probate or Letters of Administration, let us know when you expect to receive them. Alternatively, if you do not intend to apply, please let us know why. Note that we generally require either Probate or Letters of Administration before we make a decision to pay the benefit to the deceased member's estate.</li></ul>

## Before submitting this claim, have you:

- Completed all parts and signed the form?
- Provided a certified copy of the full death certificate?
- Provided a certified copy of the deceased member's proof of age document?
- If married, provided a certified copy of the deceased member's marriage certificate?
- Provided a certified copy of the deceased member's Will (if any)?
- Provided a certified copy of the Grant of Probate or Letters of Administration (if any)?
- Provided a certified copy of the children's birth certificate (if any)?
- Provided a certified copy of your own ID documents?

## We're here to help you

If you have any queries or need help with making a death claim, please contact us.

 [hesta.com.au](https://hesta.com.au)  
[hesta@hesta.com.au](mailto:hesta@hesta.com.au)

 **1800 813 327** or **+613 9200 4714**  
(if calling from overseas)

 Send your claim. Scan and email all requirements to [hesta@hesta.com.au](mailto:hesta@hesta.com.au) or mail to: **HESTA, Locked Bag 5136, Parramatta NSW 2124**