

FACT SHEET:
NOMINATING YOUR BENEFICIARY(S)

Make sure the ones you love have financial security in the event of your death.

You are able to nominate who will receive your superannuation benefit in the event of your death. This is called a beneficiary nomination.

WHO CAN I NOMINATE AS A BENEFICIARY?

Beneficiaries of your super entitlements fall into two groups. They are:

- your dependants
- a legal representative or estate.

Dependants

Your dependants may include:

- your spouse (including de facto of the same or different sex);
- your children (including step, adopted, and ex-nuptial children, or a child of your spouse);
- any person who is financially dependent on you;
- any person with whom you have an interdependency relationship including:
 - » any person with whom you have a close personal relationship and live with where one or both of you also provides ongoing financial support, domestic support and personal care; and
 - » any person with whom you have a close personal relationship where, because of a disability, the above requirements of living together, financial support, domestic support and personal care are not able to be satisfied.

Legal personal representative or estate

You may nominate your legal personal representative (the executor or administrator of your estate) or estate. If you do this, your super benefit will be paid into your estate and distributed according to your Will.

When deciding who you would like to receive these benefits, consider that payments made to your estate can be subject to family provision claims (challenges to your Will) and to claims from your creditors.

DIFFERENT TYPES OF NOMINATIONS

The Russell Investments Master Trust offers two types of beneficiary nominations.

Preferred nomination (Non-binding)

A preferred nomination is not binding. If you die, the Trustee will collect all the relevant information about your personal situation before deciding who the benefit should be paid to. The Trustee will consider the wishes you expressed in your nomination as part of this process. It is possible that your benefit will not be paid as you had nominated.

Binding nomination

In this instance, the Trustee is bound by your nomination, as long as it remains valid. This means your benefit will be paid as you instruct. A binding nomination can result in a faster payment, because the Trustee must simply confirm that your nomination is valid and collect certain administrative documentation before paying your benefit.

! **Important!** Binding nominations expire every three years. If the binding nomination expires, the nomination remains in place, but becomes a preferred nomination. You should update your nomination at least every three years to keep it binding, and when your circumstances change.

Here's an example of a preferred nomination

Tom nominates his legally married spouse as a preferred beneficiary to receive his full benefit. Before his death, Tom and his spouse separate but don't formalise their separation through a divorce and financial settlement. He then forms a new de-facto relationship. A child is born from the new relationship. Tom has not updated his beneficiary nomination and is still legally married.

When the Trustee considers Tom's change in family circumstances and nomination, it is decided that it is no longer appropriate to pay his full benefit to his spouse, who had separated from Tom and was not financially dependent on him at the time of his death. Instead the benefit is split in different proportions between his de-facto partner, child and the separated spouse.

Let's consider the same example as a binding nomination

If this was a binding nomination, when the Trustee considers Tom's nomination, it is found that it is still valid. Tom is still legally married, and therefore his separated spouse is a dependant. His benefit must be paid to his spouse, and his de-facto partner and child receive nothing.

KEEPING YOUR NOMINATION UP TO DATE

It is important to keep your nomination up to date so the right people receive your benefit. A binding nomination can be effective, because you can be sure how your benefit will be paid and it can be processed quickly. The downside is that if you have not updated your nomination as circumstances change, it may no longer best reflect your wishes.

HOW TO MAKE A NOMINATION

A preferred nomination can be made online by logging in to your account at russellinvestments.com.au/login or by calling us.

If you're making a binding nomination, you must send in the Nomination of Beneficiaries Form. This form is available at russellinvestments.com.au/forms or by calling us. Two people are required to witness your signature, which means both people must see you sign the form, and sign and date their sections immediately afterwards. The witnesses cannot be nominated as beneficiaries. A binding nomination is only valid if the trustee receives the Nomination of Beneficiaries Form, and it must be received before your death.



Advice that's right for you

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- call **1800 555 667** (Monday to Friday 8.30am to 5.30pm AEST)
- email admin@resourcesuper.com.au
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