

Frequently asked questions about non-lapsing death benefit nominations

What is a non-lapsing death benefit nomination?

A non-lapsing death benefit nomination is a request by you to the trustee of FirstChoice Wholesale to pay your death benefit to the person or persons nominated on your **Non-lapsing death benefit nomination** form. The trustee may consent to your nomination if your nomination satisfies the requirements described in the following paragraphs.

We are required to follow your nomination if, prior to your death, we consent to your completed, valid non-lapsing death benefit nomination.

The nomination remains valid until you revoke or make a new nomination. This can provide you with greater certainty on who will receive your death benefit when you die.

Who can I nominate?

You should only nominate a person who is allowed by law to receive your superannuation death benefit – that is, your legal personal representative (in other words your executor or administrator of your estate) and/or your dependants.

Your dependants are:

- **your current spouse**

This includes the person at your death to whom you are married, in a relationship registered under certain state or territory laws, or living with on a genuine domestic basis in a relationship as a couple. Payment of death benefits to a spouse is tax free.

- **your child**

This includes any person who at your death is your natural, step, adopted, ex-nuptial or current spouse's child, including a child who was born through artificial conception procedures or under surrogacy arrangements with your current or then spouse. Payment to a non-financially dependent child over 18 is usually subject to tax.

- **any person financially dependent on you**

This includes any person who at your death is wholly or partially financially dependent on you. Generally, this is the case if the person receives financial assistance or maintenance from you on a regular basis that the person relies on or is dependent on you to maintain their standard of living at the time of your death. Payment to a financial dependent or for a child under 18 is usually tax free.

- **any person with whom you have an interdependency relationship**

This includes any person where at your death:

- you have a close personal relationship with this person
- you live together with this person
- you or this person provides the other with financial support, and
- you or this person provides the other with domestic support and personal care.

An interdependency relationship is not required to meet the last three conditions, if the reason these requirements cannot be met is because you or the other person is suffering from a disability.

In establishing whether such an interdependency relationship exists, all of the circumstances of the relationship are taken into account, including (where relevant):

- the duration of the relationship
- whether or not a sexual relationship exists
- the ownership, use and acquisition of property
- the degree of mutual commitment to a shared life
- the care and support of children
- the reputation and public aspects of the relationship (such as whether the relationship is publicly acknowledged)
- the degree of emotional support
- the extent to which the relationship is one of mere convenience, and
- any evidence suggesting that the parties intended the relationship to be permanent.

How do I nominate more beneficiaries?

If you wish to nominate more beneficiaries, please contact us and we will advise you how to do so.

How do I make an alteration to my completed form?

Example:

Witness declaration

I declare that I am over the age of 18 and this non-lapsing death benefit nomination was signed and dated by the member in my presence.

Original signature of member

John Smith

Print name

JOHN SMITH

Original signature of witness 1

Sally Brown

Print name

SALLY BROWN

Original signature of witness 2

Stephen Jones

Print name

STEPHEN JONES

Note: The dates below must match the date of your two witnesses.

Date signed: Member

30/05/2024 (dd/mm/yyyy)

Date signed: Witness 1

30/05/2024 (dd/mm/yyyy)

Date signed: Witness 2

30/05/2024 (dd/mm/yyyy)

- Any alterations to the completed form must be initialled by you and both witnesses.
- Both witnesses must sign this form on the same date as the member.

How do I make a valid non-lapsing death benefit nomination?

To make a valid non-lapsing death benefit nomination:

- you must be at least 18 years of age
- you must complete the **Non-lapsing death benefit nomination** form available in the most up-to-date Product Disclosure Statement (PDS), on cfs.com.au or by calling Investor Services on 13 13 36
- you must only nominate your legal personal representative and/or dependant
- you must provide the full name, date of birth and the relationship which exists between you and each of the nominated beneficiaries
- you must ensure that the proportion payable to each person nominated is stated and you have allocated 100% of your death benefit
- your nomination must not be ambiguous in any other way
- you must sign the **Non-lapsing death benefit nomination** form in the presence of two witnesses who are both at least age 18 and are not nominated by you as a beneficiary on the form.

For your validly completed non-lapsing death benefit nomination to be effective we must consent to your validly completed non-lapsing death benefit nomination prior to your death.

You may revoke your nomination at any time by notifying us or by making a new nomination (or a reversionary pensioner nomination) which is accepted by us. A Non-lapsing death benefit nomination form is available in the most up-to-date PDS or on our website.

Is my nomination effective?

To be effective, you must only nominate your estate or a dependant, and the **trustee must consent to the nomination**.



It is very important to review your nomination regularly to ensure it is still appropriate to your personal circumstances and reflects your wishes particularly if your circumstances change eg if you marry, separate or divorce, enter a de facto relationship (including same-sex), have a child, or if someone you nominate has died, or someone becomes or is no longer financially dependent upon you or in an interdependency relationship with you.

If you nominate your legal personal representative, your death benefit will generally be paid to your estate and distributed in accordance with your Will or the laws of intestacy. In which case the benefit will be available to meet debts of the estate. It also means that the distribution may be challenged if someone disputes your Will or the distribution of your estate.

If you nominate one or more of your dependants, your death benefit will be paid directly to them provided they are still a dependant at the date of your death. If the nominated beneficiary is no longer a dependant, then the proportion of your death benefit which would have been payable to that person will be paid to your legal personal representative.

Tax may be withheld from your death benefit when paid to your dependants or distributed from your estate. There are differing tax treatments of death benefits depending on how old you are, how old your nominated beneficiaries are and who you nominate and whether it is paid as a pension or lump sum. You should read the PDS for more information or talk to your financial adviser.

How is my death benefit paid?

We will pay to your nominated dependant if they are still a dependant at the date of death and they provide us with required proof of identity.

Your nominated beneficiary will have a choice of receiving the benefit in lump sum form or (if eligible) in pension form. A child can only receive the benefit in pension form if the child:

- is under age 18
- is under age 25 and is financially dependent on you, or
- has a certain type of disability.

If your child is eligible to receive, and commences to receive, a pension, it must be converted to a tax free lump sum by no later than age 25, unless they continue to have a certain type of disability.

What if I don't have a valid non-lapsing death benefit nomination?

Your death benefit will be paid to your legal personal representative if:

- at the time of your death, you have not completed or we have not received and consented to a valid non-lapsing death benefit nomination
- you have revoked your last non-lapsing death benefit nomination and you have not made a new non-lapsing death benefit nomination
- the person or persons you have nominated cannot be identified or are not your dependant or legal personal representative at the time of your death, or
- the trustee determines that the whole of your non-lapsing death benefit nomination is otherwise invalid.

This is general information only and does not take into account your personal circumstances. Please talk to your financial adviser for more information on non-lapsing death benefit nominations and your personal estate planning needs.

4 REVOKE (REMOVE) ALL EXISTING BENEFICIARIES

REVOKE (REMOVE) ALL EXISTING NON-LAPSING DEATH BENEFIT NOMINATIONS

REVOKE (REMOVE) EXISTING REVERSIONARY BENEFICIARY NOMINATION (applicable only to pension products, with the exception of Term Allocated Pension accounts)

A new non-lapsing nomination or reversionary pensioner nomination which is accepted by the trustee automatically revokes a previous nomination.

5 MEMBER DECLARATION

Avanteos Investments Limited ABN 20 096 259 979 AFSL 245531 (AIL).

I understand/declare that:

- if this nomination is consented to by AIL, any existing death benefit nomination (for example a non-lapsing death benefit nomination) or any existing reversionary death benefit nomination (if applicable) will be revoked and replaced
- any beneficiary nominated by me, other than my legal personal representative, must be a dependant within the meaning of the *Superannuation Industry (Supervision) Act 1993* (SIS Act). A dependant includes my spouse, child, a person who is financially dependent on me or with whom I have an interdependency relationship
- if my nomination is invalid in whole or in part, or cannot be followed for any reason or because a beneficiary/beneficiaries is no longer a dependant at the date of my death, then that proportion of my benefit will be paid to my legal personal representative (estate)
- my beneficiary/beneficiaries and I are bound by the provisions of the trust deed relating to non-lapsing death benefit nominations
- my attorney can only nominate themselves as a beneficiary if my Power of Attorney document specifically states that they can be nominated as a beneficiary of my death benefit or they can benefit themselves despite any conflict
- I may at any time revoke or replace a non-lapsing death benefit nomination in accordance with FirstChoice's procedures and with the consent of AIL
- this declaration must be signed and dated by me in the presence of two witnesses (who are not nominated by me as a beneficiary of my death benefit), both of whom are over the age of 18
- this nomination may be transferred with the identified account(s) to another superannuation or pension account within the same superannuation trust
- I am over the age of 18.

A nomination is not valid unless it has been approved by us. Any alterations to your form must be initialed by yourself and both witnesses or it will be invalid. You should regularly review your nomination to ensure that the nominated beneficiary/beneficiaries remain eligible to receive the portion of your death benefit specified in this nomination and that this nomination accurately reflects your wishes. If you wish to revoke a nomination, you must let us know and obtain our consent. You can replace an existing death benefit nomination by sending us a new 'Non-lapsing death benefit nomination' form which will revoke the existing nomination once we consent to the new nomination. If you have any questions, please contact your adviser or Investor Services on 13 13 36.

Your non-lapsing death benefit nomination will be invalid unless:

- you and two adult witnesses (aged over 18) have signed
- neither of your witnesses are named as beneficiaries
- your witnesses have dated the form the same date as you
- all alterations on this form have been initialed by three parties.

All nominations will be invalid unless:

- all required sections on this form are completed
- total percentage of nominations equal 100%.

Witness declaration

I declare that I am over the age of 18 and this non-lapsing death benefit nomination was signed and dated by the member in my presence.

Original signature of member

Print name

Original signature of witness 1

Print name

Original signature of witness 2

Print name

Note: Date of signature must be the same date for both applicant and witnesses.

Date signed: Member

(dd/mm/yyyy)

Date signed: Witness 1

(dd/mm/yyyy)

Date signed: Witness 2

(dd/mm/yyyy)

Mail the completed form to: Colonial First State, Reply Paid 27, Sydney NSW 2001
or submit via the secure online system (e-Post) with FirstNet Investor and FirstNet Adviser