

# Fact Sheet: Your Death benefit



A Death benefit provides an important financial safety-net for your family.

## How the Death benefit works

Should you die while you are a member of the Russell Investments Master Trust (the Fund), a Lump sum benefit will be paid. The lump sum is normally equal to your account balance plus, if you are eligible, an insured component.

You should read your Product Disclosure Statement (PDS) for specific details about how your Death benefit is calculated and whether you qualify for an insured amount.

Generally, we will transfer your account balance upon credible evidence of your death, such as a certified copy of your Death Certificate.

- If you are classified as a MySuper member, your account balance will remain in the MySuper Option.
- If you are classified as a Choice member, your account balance will be transferred to the Australian Cash Option.

Any applicable fees will continue to be deducted until your benefit is paid.

## Who receives the benefit?

The Trustee of the Fund makes the final decision on who will receive your Death benefit. Superannuation law seeks to make sure that it is paid to a dependant or to your estate. A dependant is defined as: your spouse (or de facto partner), your children, someone with whom you are in an interdependency relationship, or someone who depends on you financially.

You should nominate who you would prefer your benefit to be paid to in the event of your Death. You may make either a binding or preferred nomination.<sup>1</sup>

The Trustee will consider your nomination before paying the benefit, so it's important to keep it up to date, and to pay attention to who qualifies as a dependant. It's a good idea to review your nomination whenever your circumstances change, e.g. through marriage, divorce or if you have a child.

If you have made a binding nomination which is valid at the time of your Death, the Trustee must pay your benefit as you have instructed. If you have a preferred nomination the Trustee may use their discretion in paying your benefit and may not distribute it as you have nominated.

## Connecting you with the right advice

From phone-based to face-to-face options, our advice offer is designed to help you maximise your financial position.

We offer expert, phone-based advice on a single super-related issue, as well as Retire Ready meetings for those looking to retire in the next five years—both at no cost to you.

If you want advice on your full financial picture, including investments outside super, we offer personal financial planning. We've partnered with senior financial advisers who are committed to helping you meet your goals. Your first meeting is free.

If you need more information, please visit [russellinvestments.com.au/advice](https://russellinvestments.com.au/advice)

## We're here to help

**iQ Super by Russell Investments**

**Call:** 1800 555 667

**For international:**

+612 8571 5588

**Email:**

[iq@russellinvestments.com.au](mailto:iq@russellinvestments.com.au)

**Website:**

[russellinvestments.com.au/super](https://russellinvestments.com.au/super)

<sup>1</sup> You can read more about nominating a beneficiary in our Nominating Your Beneficiary(s) Fact Sheet.

---

## What your dependant(s) will need to do in the event of your Death

Claiming a benefit is a three-step process. Your dependant(s) will need to correspond with the Fund.

### Step 1: Contact us

Once your dependant(s) advises the Fund of their intent to begin the Death benefit claim process, the Fund will send an Application for Death Benefit Form and further information about what they need to provide.

### Step 2: Collate relevant documents

If there is a valid binding nomination, the Death benefit will be paid as you had instructed, as soon as both the insurer and Trustee have considered the claim. Minimal documentation will still need to be provided to the Trustee before payment is made. To assist the Trustee in making its decision, your dependant(s) will need to provide certified<sup>2</sup> copies of the following documents:

- Death certificate
- Birth certificate of the deceased
- Marriage certificate for current spouse of the deceased (if applicable)
- Birth certificates for all children of the deceased who are making a claim on the benefit (if applicable)
- Last Will and Testament (if applicable)
- Name and postal address of all potential dependants
- Letters of Administration or a Grant of Probate if the benefit or part of the benefit is payable to the deceased member's estate.

### Step 3: Complete a Statutory Declaration

We will sometimes issue your dependant(s) a Statutory Declaration with the initial letter. A close family friend or close work colleague, who has known you for a period of over five years, will need to fill in a Statutory Declaration Form confirming your family circumstances.

## What happens next?

Once all the required documentation has been received, the relevant details will be forwarded to the insurer in order to facilitate payment of any insured component. At the same time, the Trustee will conduct any necessary investigations regarding your dependants. The Trustee will consider the distribution of the benefit when these investigations are complete.

The claims process can be complex depending on the circumstances. Your dependant(s) should note that the claims process can sometimes take several months before any benefit is paid. The Trustee will of course try to process the claim as soon as possible.

### Your death benefit - Fact Sheet

Once the decision is made, the Trustee will write to all involved parties to inform them:

- the date the decision was made
- the percentage of payout to each eligible dependant.

### If there is a preferred nomination, no nomination, or an expired or invalid<sup>3</sup> binding nomination

The Trustee may make a decision, notify all potential beneficiaries of the decision, and provide them with 28 days to object. This process is called 'Claim Staking', and is used in certain circumstances only.

If there are no objections received from the potential beneficiaries within 28 days of receipt of the letter regarding the distribution, the Death benefit will be paid according to the Trustee's decision. If an objection is received within the 28-day period, the decision will need to be reconsidered by the Trustee. Please note, that no benefit will be paid to any party while the Trustee is undertaking the Claim Staking process.

Based on the information provided, the Trustee may or may not change its original decision regarding the distribution of the Death benefit. If any party does not agree with the final decision, they may be able to take their complaint to the Australian Financial Complaints Authority.

If no Claim Staking is conducted, the Death benefit will be paid as soon as possible after the Trustee's decision is reached.

<sup>2</sup> Certified means that an authorised person (such as a Justice of Peace) has sighted the original and copy, and provided written certification on the copy that it is a true copy of the original.

<sup>3</sup> For a nomination to be valid, it needs to be in writing, signed, dated, be signed by two witnesses who aren't beneficiaries and have the total benefit add up to 100%. Also, the person/s nominated need to meet the definition of dependant under super law, and if it's a binding nomination, it needs to be updated every three years. For more information, please refer to the Nominating Your Beneficiary(s) Fact Sheet.

## Understanding how a Death benefit is taxed

Death benefits have a tax-free component and a taxable component.

While you don't need to pay tax on the tax-free component of a Death benefit, the table below outlines how the taxable component is generally taxed:

TYPE OF DEATH BENEFIT	AGE OF BENEFICIARY	AGE OF DECEASED	TAX ON TAXABLE COMPONENT	
			TAXED ELEMENT	UNTAXED ELEMENT
Lump Sum				
Paid to dependant	Any age	Any age	Tax free	Tax free
Paid to non-dependant	Any age	Any age	Taxed at a maximum rate of 15% (plus Medicare levy)	Taxed at a maximum rate of 40% (plus Medicare levy)

## Need more information?

Visit [russellinvestments.com.au/login](https://russellinvestments.com.au/login) to log in and download a copy of your PDS, which covers how a Death benefit is calculated. You may also wish to review your beneficiary nomination, and complete a Nomination of Beneficiaries Form. You can get a form from our website or by calling us on **1800 555 667**.