

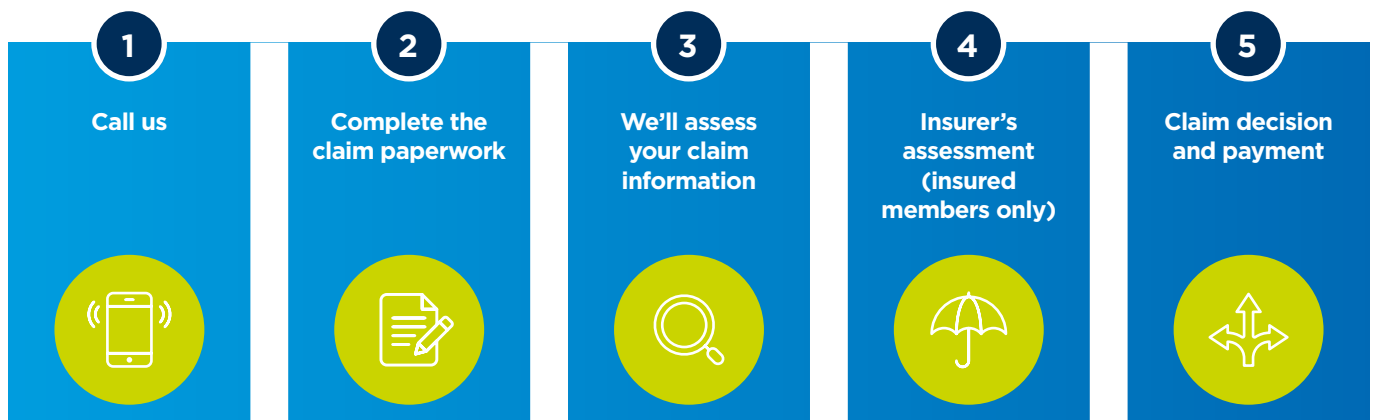


## FACT SHEET

# How to claim a death benefit

This guide is designed to help you understand what you need to do when claiming a person's super balance and any insurance benefits they held, after their death. We'll do our best to make this difficult time easier as we process the claim. Generally, the claims process can take a month or two depending on whether the member had everything in order when they passed away. It may take longer if a beneficiary nomination isn't legally binding, if there is more than one beneficiary, or if there are other competing claims.

## Our claims process





### 1. Call us on 1300 366 216

- You'll need to provide us with the deceased member's account details, including their membership number, date of birth and date of death.
- We'll ask some questions so we can send the correct paperwork to the beneficiaries or their legal representatives.



### 2. Complete the claim paperwork

- The claim pack will include:
  - a claim form and a list of supporting documents you'll need to provide with your completed claim form
  - the name and contact details for your Fund case manager
  - information about any death insurance benefits – payments are subject to the insurer's assessment
  - information on how the super account balance is invested.
- It's important you provide us with the completed form and all the supporting paperwork as soon as possible. We can only assess the claim once we have all the necessary paperwork.
- Some of your documents will need to be certified – we won't be able to accept them without certification. We'll let you know which documents need to be certified and how to do this.



### 3. We'll assess your claim information

- When we receive your paperwork, we'll check we have everything we need to start assessing your claim. If anything is missing, we'll contact you, or the beneficiaries, and let them know what's outstanding.
- If we need to claim an insurance benefit, we'll submit the claim to the Insurer.
- We'll let the beneficiaries know how the claim is going every 20 days or whenever something happens.
- If more than one person could receive the death benefit, we'll make an interim decision and let all the beneficiaries know. They'll have 28 days to accept the decision or lodge an objection.



### 4. Insurer's assessment (Insured members only)

- After considering all the information, the Insurer will accept or decline the claim.
- We act in the best interests of all our members and will review the insurer's decision to make sure it is fair and reasonable and has been made within the terms of the policy.
- If we don't agree with the Insurer's decision, we'll refer the claim back to them, ask you for more information (if required) and highlight any areas of concern.



### 5. Claim decision and payment

- We'll let the beneficiaries know the outcome of the claim. If it's approved, we'll pay the beneficiaries within five business days, provided we have their payment instructions, certified proof of identification, and there have been no objections from any party to the Trustee's decision on the distribution of the death benefit. Where there is an acting solicitor, a cheque will be sent to the solicitor, payable to the beneficiary(s).
- When the beneficiaries provide their payment instructions, they can choose to receive their benefits by electronic transfer to their nominated bank account, by cheque or as an income stream in certain circumstances.
- If the claim is declined, we'll write and let you know, with an explanation of the decision and what steps you can take if you disagree or wish to dispute the decision.

## How we work with you

We'll work with you to make the claims process as easy as possible. You'll have a dedicated Fund case manager who can help you with any queries you may have and help you complete any forms and supporting documents. If the claim includes insurance, the Insurer will also appoint a case manager to manage the assessment of the insurance benefit. The Fund case manager will keep everyone updated on how the claim is progressing.

If you have questions at any time just give us a call – we're here to help.

## Your questions answered

### What is a death benefit?

This is when there is lump sum benefit payable from a superannuation fund when a fund member passes away. It consists of the member's super account balance and any insurance benefits that may be payable, plus any earnings on the account balance to the date of payment, less fees, insurance premiums and any tax (if applicable).

### Who can receive a death benefit?

Under current legislation, a death benefit is payable to valid beneficiaries. These include:

- the deceased member's dependants, and/or
- the member's legal personal representative (the executor of their will or administrator of their estate).

### Who is considered a dependant?

A dependant is:

- a spouse is someone (whether of the same sex or a different sex) who is married, or not legally married, to the person, lives with the person on a genuine domestic basis in a relationship as a couple, or another person with whom the person is in a relationship that is registered under a law of a State or Territory
- a child of any age including an adopted child, a stepchild, an ex-nuptial child, or a surrogate child recognised by the court, or a child of the person's spouse
- any other person who is wholly or partially financially dependent on the member at the time of their death
- any other person with whom the member had an interdependency relationship at the time of their death.

Two people are considered to have an interdependency relationship if:

1. they have a close personal relationship, and
2. they live together, and
3. one or each of them provides the other with financial support, and
4. one or each of them provides the other with domestic support and personal care.

Two people (whether or not related by family) also have an interdependency relationship if they have a close personal relationship, but do not satisfy points 2, 3 and 4 listed above because either or both of them suffer from a physical, intellectual, or psychiatric disability, or because they are temporarily living apart.

### What is a Legal Personal Representative (LPR)?

The LPR is either an executor named in the late member's will who is able to be granted Probate (which authorises the executor to manage the member's estate in accordance with the will), or the administrator of the late member's estate (where there is no will), who has been granted Letters of Administration.

It is important to understand that superannuation doesn't automatically form part of an estate and its purpose is not to pay the debts of the late member's estate, but to provide for those who had a right to look to the late member for financial support had they not died. This means that, where there are known dependants, we will usually consider their claims as a priority over an estate.

### Are death benefits taxed?

Death benefits paid as a lump sum are generally tax-free for dependants and taxable for non-dependants, such as for adult children (i.e., age 18 or over) who are not financially dependent.

Benefits are taxable for non-dependants as follows:

- 15% tax plus the Medicare levy on the taxed element, and
- 30% plus the Medicare levy on the untaxed element of the taxable component of the benefit.

It is important to note that a death benefit paid as an income stream will be treated differently for tax purposes.

For more information, please refer to our member guide 'How super is taxed' available at [vicsuper.com.au/memborguide](https://vicsuper.com.au/memborguide)

## What are everyone's roles and responsibilities?

We all have specific responsibilities in the claim process:

Roles	Responsibility
Your Fund case manager will:	<ul style="list-style-type: none"><li>• explain the application process to you and guide you through your claim.</li><li>• answer any queries you might have.</li><li>• keep you regularly updated on the progress of your claim.</li></ul>
The Insurer will:	<ul style="list-style-type: none"><li>• appoint an Insurance case manager to manage the assessment of the insured benefit.</li><li>• review your documents and see if more information is needed.</li><li>• decide if a death insurance claim is payable based on the policy definitions.</li></ul>
The Fund will:	<ul style="list-style-type: none"><li>• oversee the claim assessment.</li><li>• oversee the conduct of the Insurer and other service providers.</li><li>• complete an independent review if the Insurer declines a claim.</li><li>• decide who will receive the benefit.</li></ul>

## What happens if the Insurer declines the death claim?

If the insured component of the claim is declined by the Insurer, we'll do an independent review of the Insurer's decision. If we disagree with their decision, we'll ask for clarification or challenge it. In some cases, we'll ask for more information from potential beneficiaries to support the claim. If, after further consideration, the insurer decides to decline the claim, we'll write to all the potential beneficiaries, explaining why the decision was made.

## What happens if you're not happy with our final distribution decision?

If a claimant is not satisfied with the final decision, they can submit a written complaint to us, and provide additional evidence to support their claim. We'll arrange for the case to be reassessed. If the dispute is not resolved to the claimants' satisfaction, they can contact the Australian Financial Complaints Authority (AFCA), an independent body set up by the government to help resolve most complaints relating to superannuation. We'll provide more details about this process and AFCA's contact details if needed.

## We're here to help

Browse our website  
[vicsuper.com.au](https://vicsuper.com.au)



Give us a call  
**1300 366 216**



Write to us  
**GPO Box 89 Melbourne VIC 3001**

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