

Beneficiary Nominations

What are Beneficiary Nominations?

To help direct where your superannuation benefits go in the event of your passing, it is important to have an appropriate beneficiary nomination in place. In the absence of a beneficiary nomination, the Trustee of a superannuation fund may exercise their discretion and decide where or to whom a superannuation death benefit is paid.

Regardless of the type of nomination you choose, depending on the fund's rules, it is important to keep it up to date so your wishes can be considered if your circumstances change.

Types of Beneficiary Nominations

Nomination of Beneficiaries

A nomination of beneficiaries is not binding on a superannuation fund and should effectively be seen as a request to the Trustee of the superannuation fund to abide by your wishes. While a nomination of beneficiaries is preferable than no nomination at all, it lacks certainty as Trustees are not legally compelled to abide by your nomination.

Binding Death Benefit Nominations

A valid binding death benefit nomination will generally require the Trustee to pay death benefits in accordance with your nomination, provided the nomination remains valid and satisfies the relevant legislative and fund requirements. Where valid, the nomination generally removes the Trustee's discretion regarding the payment of superannuation death benefits.

Reversionary Beneficiary

A reversionary beneficiary nomination allows a pension income stream to automatically continue to a nominated dependant beneficiary upon your death, subject to the governing rules of the superannuation fund and the pension product. While this may provide greater certainty regarding the continuation of pension payments, the nomination must remain valid, and the nominated beneficiary must meet the relevant dependency and legislative requirements at the time of death. If these requirements are not met, the Trustee may need to determine how the death benefits are to be distributed in accordance with the fund rules and applicable legislation.