

Your Superannuation and Pension Wishes

Planning your Estate is an important element of a long term financial plan. If you don't legally specify your wishes, the decision for distribution of your superannuation investment falls to the Trustee of your Superannuation Fund.

Most people want their spouse or family secure and you can do that either by completing:

1. Binding Nomination: applies to Superannuation and Pensions.
2. Reversionary Pension: applies to Pensions only

Binding Nomination: is a legal instrument that enables you to specify who you want to receive your superannuation death benefit and (usually) in what proportions.

Those eligible to receive a death benefit as an income stream include a:

- spouse
- child under 18 years of age
- child aged between 18 to 25 years of age who is financially dependent
- disabled child
- financial dependant (other than a child), and
- interdependent person.

This form of nomination gives the option to specify multiple beneficiaries within the family and define percentages allocated to each of them. It also gives the choice of a lump sum payout or income stream (depending on age and circumstances of beneficiary).

In addition a Binding nomination can also be made to your Estate so that your Executor, rather than the Superannuation Trustee, can disperse the funds according to your will.

With a Binding Nomination there will be some time delay in the transfer of your superannuation funds as the Trustee of the Super Fund determines the validity of your Binding Nomination.

Reversionary Pension – Pension phase only

This option enables you to select who you would like to continue receiving your pension payments and that person will automatically receive the income stream - there is no time delay and no Super Trustee involvement. Dependants include the same beneficiaries above who are eligible to receive a death benefit as a new income stream, but you can only choose 1 dependant per pension.

Note: Because of the restrictions on pension payments to child beneficiaries, such as the requirement that it must be commuted and paid out when the child turns 25, many superannuation funds only permit a reversionary option to a spouse.

Some advantages are that the pension payments continue to be paid to the beneficiary, they don't have to make a choice at a time of grief, and the funds are retained in the concessional taxed super environment.

Because of some added complexities around the rules your Financial Adviser can best discern your individual circumstances and guide you to the most beneficial choices for your Estate.

For more Information contact Mark Digby at Maher Digby Securities Pty Ltd - Financial Advisers – AFSL No. 230559 Ph: 07 5441 1266 or visit our website www.maherdigby.com.au This document was prepared without taking into account any person's particular objectives, financial situation or needs. It is not guaranteed as accurate or complete and should not be relied upon as such. Maher Digby Securities does not accept any responsibility for the opinions, comments, forward looking statements, and analysis contained in this document, all of which are

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