

What happens to my super when I die?

You may not be aware that how and in what proportions your super is distributed can't be covered in your will unless you've made the necessary arrangements with your super fund beforehand.

Why can't super be covered in my will?

Your super can't typically be covered by your will because your will only covers assets you own personally (things like, your house, car, investments, savings and personal items).

Your super on the other hand is held for you in a trust by your super fund trustee and governed by superannuation law, which is why different rules apply and why your super fund must be kept up to date with your instructions.

Who can I leave my super money to?

In the event of your death, your super fund must pay a death benefit to one or more people in your life who are eligible.

Your eligible super beneficiaries might include:

- your spouse (including de facto and same sex partners), but not former spouses
- your children regardless of age
- anybody financially dependent on you when you die
- your estate or legal personal representative.

One reason you might nominate your estate or legal personal representative is you can then specify in your will how and to who you want to distribute your super money to, which can include eligible beneficiaries (mentioned above), as well as other people in your life.

It's important however that you ensure the information stated in your will is up to date, so your legal personal representative pays out your super money as per your instructions.

How do I nominate my beneficiaries?

When it comes to specifying your beneficiaries, most super funds will give you several options.

These options are important to understand, particularly given that the type of nomination you choose could give you greater control over how your super benefits are distributed.

⇒ **Binding nomination**

If you make a binding death benefit nomination that satisfies all legal requirements, the trustee of the super fund must pay your super to the beneficiaries you have nominated, and in the proportions specified.

You should also know that there are lapsing and non-lapsing binding nominations. Lapsing nominations typically expire every three years unless you renew them, while non-lapsing nominations may never expire.

⇒ **Non-binding nomination**

If you make a non-binding nomination, the trustee of the fund will have the final say over which beneficiaries receive your super and in what proportions, but your nominations will be considered.

⇒ **No nomination**

Depending on the product, if you don't make a nomination the trustee will pay your death benefit to your estate, or use its discretion to determine which eligible beneficiaries the money should go to.

⇒ **Super in pension phase already?**

If your super is already in pension phase, then all of the above plus additional options may be available and need to be considered.