



REVERSIONARY BENEFICIARY NOMINATION IN THE AON MASTER TRUST PENSION



A death benefit nomination allows you to nominate who will receive your superannuation money if you die.

The Aon Master Trust pension offers you three death benefit nomination options:

- ✎ Binding death benefit nomination
- ✎ Non-binding death benefit nomination
- ✎ Reversionary beneficiary nomination

You can hold only one type of death benefit nomination on your account. If you hold two or more death benefit nominations on your account, a reversionary beneficiary nomination will invalidate all others and a binding death benefit nomination will take precedence over a non-binding death benefit nomination.

Binding death benefit nomination

The trustee must pay your death benefit to your nominated beneficiary or beneficiaries as long as your binding nomination is valid. The validity of a binding death benefit nomination is assessed when it is set up and re-assessed when a death claim is received by the trustee. Beneficiaries receive a lump sum death benefit.

You must renew your binding death benefit nomination every three years. For more information see the factsheet [*Binding death benefit nomination*](#) on our website.

Non-binding death benefit nomination

A non-binding death benefit nomination is used by the trustee only as a guide when deciding who should receive your death benefit. The trustee ultimately has discretion on who receives the benefit and how much each beneficiary receives. Beneficiaries receive a lump sum death benefit.

A non-binding death benefit nomination does not expire and therefore you do not need to renew it. However, as with all death benefit nominations, you should review your nominations as your and your beneficiaries' personal circumstances change.

Reversionary beneficiary nomination

From 1 January 2010, members of the Aon Master Trust pension will be able to make a reversionary beneficiary nomination. Unlike binding and non-binding death benefit nominations, which can be made at any point in time, a reversionary beneficiary nomination **can be made only** at the time you set up the pension account.

A reversionary beneficiary nomination allows you to nominate your spouse to receive the death benefit as a continuing income stream—your pension reverts to your spouse seamlessly on your death, if the trustee approves the death claim.

You do not need to renew your reversionary beneficiary nomination, but you should review it if your personal circumstances change. For instance, if your spouse predeceases you or you divorce your spouse, your reversionary nomination will be invalid for death benefit claim purposes.

If a reversionary beneficiary nomination is invalid at the time of a death benefit claim, the trustee will pay the benefit in accordance with the terms of the Aon Master Trust trust deed, that is, to your dependant(s) or in the absence of dependants to the legal personal representative of your estate.

Features of a reversionary beneficiary nomination

- You can nominate only one person as a reversionary beneficiary and in the Aon Master Trust pension this is limited to your spouse.
- Your spouse can be a legal or de facto same-sex or opposite-sex spouse.
- You must make your nomination when you set up your pension by providing the details of your reversionary beneficiary in the application form.
- A reversionary beneficiary nomination allows your spouse to continue to receive your pension seamlessly in the event of your death, ie as income payments.
- If you have set up a reversionary beneficiary on your pension account and you decide to:
 - > make a binding death benefit nomination
 - > change the reversionary beneficiary details
 - > remove the reversionary beneficiary detailsyou will need to complete a new application form and your current pension will have to be commuted and set up again with the new details.
- If you are an existing member and you wish to make a reversionary beneficiary nomination, you will have to complete a new application form. Your current pension will have to be commuted and restarted again with the new reversionary details.
- A reversionary beneficiary nomination will supersede any binding or non-binding death benefit nomination.

Tax implications

Death benefits are generally tax-free when paid to dependants. However, there are different tax implications for lump sum death benefits and death benefits paid as an income stream.

See the [Tax on death benefits](#) factsheet on our website aonmastertrust.com.au or visit the Australian Taxation Office website ato.gov.au for more information.

aonmastertrust.com.au

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