

Life Insurance or Death Benefits

When a loved one passes away, the hardship following their death is often compounded if they were a source of income for their dependants.

All super funds in Australia offer benefits in the event of a loved one's death. If you were a spouse, child, legal personal representative or financially dependent on someone who has passed away, you may be entitled to their super contributions and connected insurance benefits. These benefits are designed to ease the burden of financial strife at this difficult time.

It is recommended that you act to retrieve these benefits as quickly as possible, with the help of a qualified solicitor, to ensure the super fund pays all relevant entitlements.

It is possible for super fund members to nominate the beneficiary to whom a payment should be made. This can be done in a binding or non binding way. A binding nomination must be followed by the super fund provided the nomination remains current and valid at the time of death.

Some binding nominations can be disputed. For example in some funds require the nomination to be made to a dependant, and the definition of dependant will potentially change from fund to fund. An ex wife who met the definition at the time of the nomination when married to the member may not meet the definition after a divorce or separation.

Similarly a beneficiary who was not family but simply financially dependent on a member at the time of nomination and who was no longer financially dependent at the time of death may no longer meet the required definition.

There are strict time limits that apply to disputing decisions made about the distribution of death benefits so you should seek urgent advice especially if you have received notification of a claim decision from the super fund.