

Beneficiary or reversionary owner nominations – Deferred Annuities

Information sheet

When to use this form

Use this form to make a beneficiary nomination, or to change or cancel an existing beneficiary nomination. You can also use this form to nominate or remove a reversionary (secondary) owner

Ownership

The owner of a deferred annuity can only be the person who received the Superannuation Lump Sum Payment (or Eligible Termination Payment) that was invested in the deferred annuity.

Nominating a beneficiary

With an Deferred Annuity, the owner can nominate their spouse or de facto spouse as a beneficiary at any time providing:

- the plan commenced after 12 January 1987, and
- the plan does not include an existing nominated beneficiary, and
- the plan does not include an existing second (reversionary) owner—included in the attached form is a section to allow removal of a second owner who may be replaced by a nominated beneficiary (if required).

How does your nominated beneficiary benefit?

Should the owner die prior to the Annuity commencement date, a death benefit will be paid to the beneficiary—assuming that the nominated beneficiary survives the owner. In this case, the benefit will be exempt from tax in the hands of the nominated beneficiary.

Note: If the plan ceases other than on the death of the owner prior to the Annuity commencement date, any entitlement of the nominated beneficiary's Estate also ceases

Can I change a beneficiary?

On application, the owner may change or remove the nominated beneficiary provided that any re-nominated beneficiary is the spouse or de facto spouse of the owner.

Death benefit with no beneficiary

Upon the death of the owner, the death benefit will be paid to the owner's executor or administrator if:

- there is no nominated beneficiary
- the nominated beneficiary dies before the owner
- the nominated beneficiary is removed and not replaced.

The benefit will be exempt from tax in the hands of the executor or administrator to the extent that these proceeds are paid to approved beneficiaries.

The Australian Tax Office (ATO) has advised that the final responsibility to pay any tax on lump sums paid to legal personal representatives of a deceased member rests with the Estate.

The general rule is that the lump sum will be treated as a Superannuation Death Benefit and taxed in accordance with the Income Tax Assessment Act.

Because the legislation is complex and the tax obligation depends on the individual circumstances of the policyholder, we recommend that you seek professional advice.

An exception to the general rule applies where the deceased owner's "dependants" are beneficiaries. That portion of the payment (which is bequeathed for the benefit of dependants), will not be taxed as a Superannuation Death Benefit.

A "dependant" is a person who is financially maintained by the tax payer.

Nominating a second (reversionary) owner

With an Deferred Annuity, the owner can nominate their spouse or de facto spouse as the second (reversionary) owner provided that:

- the plan commenced after 12 January 1987, and
- the plan does not include an existing nominated beneficiary, and
- the plan does not include an existing second (reversionary) owner—included in the attached form is a section to allow removal of a second owner who may be replaced by a new second owner (if required).

Effect on your second owner

Following the death of the owner prior to the Annuity commencement date, the ownership of the Deferred Annuity is transferred to the surviving second owner and the rollover may be continued by the second owner until the date of the deceased owner's 65th birthday. The deceased owner's rollover amount will be aggregated with the second owner's rollover amount—therefore, it may affect the concessional tax amount that the second owner can receive if cashed before age 60. This would not be the case if the amount was to be paid as a death benefit to a dependant (see below).

Your financial planner can provide further details on whether this facility is suitable for your second owner's circumstances.

If it is intended for the rollover investment to be continued by the second owner, any withdrawals or final benefit will be aggregated with the second owner's superannuation and any other Superannuation Lump Sums for taxation purposes.

Regardless of when the second owner makes a withdrawal of the rollover investment before age 60 (ie either within the above periods or after that), the withdrawal amount will still be subject to Superannuation Lump Sum tax which will be deducted by Resolution Life before a payment is made. The proceeds may be rolled over by the second owner into an immediate annuity or if he/she is aged less than 65, into another approved rollover option.

The second owner cannot nominate another person to be the beneficiary under a deferred annuity. In the event of the second owner's death, after the death of the owner, the proceeds of the Deferred Annuity will be paid to the second owner's Estate and will be treated as a Superannuation Lump Sum for tax purposes. In this case, the proceeds will be exempt from tax in the hands of the trustee to the extent that the proceeds go to approved beneficiaries as defined in the tax legislation.

The Tax Office has advised that the final responsibility to pay any tax on lump sums paid to Legal Personal Representatives of a deceased member rests with the Estate.

The general rule is that the lump sum will be treated as a Superannuation Death Benefit and taxed in accordance with the Income Tax Assessment Act.

Because the Legislation is complex and the tax obligation depends on the individual circumstances of the policyholder, we recommend that you seek professional advice.

An exception to the general rule applies where the deceased's "dependants" are beneficiaries. That portion of the payment (which is bequeathed for the benefit of dependants), will not be taxed as a Superannuation Death Benefit.

A "dependant" is a person who is financially maintained by the taxpayer. It also includes the spouse or ex-spouse, (including de facto spouse), children under 18 years, and any interdependent person irrespective of whether they are financially maintained by the tax payer.

Can I change a second owner?

On application, the owner may change or remove the second owner provided that any re-nominated second owner is the spouse or de facto spouse of the owner.

Death benefit with no second owner

Upon the death of the owner, the proceeds of the investment will be paid to the owner's Estate if:

- if no second owner is nominated, or
- if the second owner dies before the owner.

The proceeds will be exempt from tax in the hands of the executor or administrator to the extent that these proceeds are paid to dependant beneficiaries.

Please keep this information sheet for your records
— don't return it with your completed form(s).

Beneficiary or reversionary owner nominations

Use this form to nominate a beneficiary, or change or cancel an existing beneficiary nomination. Also use this form to nominate or remove a reversionary (second) owner. By completing this form you are overriding any previous nominations. Refer to the **Beneficiary or reversionary owner nominations – Deferred Annuities** information sheet for further details.

Please print in CAPITAL LETTERS and place a cross in any applicable boxes.

1. Nomination options

What kind of nomination do you want to make?

Note: This nomination will override any previous beneficiary nominations.

- Beneficiary nomination > Complete sections **1, 2, 3, 5** and **6**.
- No nomination (or cancel an existing beneficiary nomination) > Complete sections **1, 2, 5** and **6**.
- Reversionary (second) owner nomination > Complete sections **1, 2, 4, 5** and **6**.
- Remove a reversionary (second) owner nomination > Complete sections **1, 2, 5** and **6**.

2. Personal details

| | | |
|----------------------------------|---|----------------------|
| Plan number | Product type | |
| <input type="text"/> | <input type="text" value="Deferred Annuities"/> | |
| Title | Date of birth | |
| <input type="text"/> | <input type="text" value="DDMMYYYY"/> | |
| Surname | | |
| <input type="text"/> | | |
| Given name(s) | | |
| <input type="text"/> | | |
| Residential address | | |
| <input type="text"/> | | |
| <input type="text"/> | | |
| Suburb | State | Postcode |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Contact phone number | Mobile number | |
| <input type="text" value="()"/> | <input type="text"/> | |

3. Beneficiary details

- You can only nominate a spouse or de facto spouse as a beneficiary.
- Refer to the **Beneficiary or reversionary owner nominations – Deferred Annuities** information sheet for further details about beneficiaries.

Beneficiary name

Beneficiary's date of birth

Sex **Relationship to owner**

Male Female Spouse De facto

4. Reversionary (second) owner details

- You can only nominate a spouse or de facto spouse as a reversionary (second) owner.
- Refer to the **Beneficiary or reversionary owner nominations – Deferred Annuities** information sheet for further details about reversionary owners.

Reversionary name

Reversionary's date of birth

Sex **Relationship to owner**

Male Female Spouse De facto

5. Signature

Signature of owner

Date

6. Checklist

- Have you completed all relevant sections of the form?
- Have you signed and dated the form?
- Have you read the attached **Beneficiary or reversionary owner nominations – Deferred Annuities** information sheet?

Note: This sheet contains important information that you should read.

Where to send this form

Mail or email this completed form to:

Resolution Life Customer Service
GPO Box 5441
Sydney NSW 2001
askus@resolutionlife.com.au

Any questions?
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