



Fact sheet:

Reversionary benefits following the death of a Division C pensioner

Losing a loved one can be a difficult, emotional and stressful time. There are some changes to pension arrangements when one of our Defined Benefit pensioners passes away, so we want to let you know what happens next.

To support our pensioners and their families through this change, this fact sheet helps explain what happens with respect to superannuation pensions from Division C of our fund. This includes an summary of:

- ongoing spouse benefits and child allowances that may be payable after a pensioner's death
- who is eligible to receive a spouse or child benefit
- how to notify us of a death, including the information you need to provide and why we need to collect it.

We want to make this process as easy as possible, so we'll do our best to ensure things happen smoothly and quickly. It's important to be aware that there may be implications if there is a delay in notifying us of the death of one of our pensioners, or in providing information we need to establish reversionary benefits. You can read more about this on page 4.

If you have any questions about this process, please call us on 1800 023 928 so we can assist you further.

About Division C pensions

Superannuation through Division C of our fund generally applies to someone who began employment with the Commonwealth Bank before 1990 and transferred from the Old Scheme to the Vesting Scheme in 1990, or someone who began employment with the Commonwealth Bank between 1990 and July 1993, and didn't take up any subsequent offers to transfer their super to another division within our fund.

The default Division C retirement benefit is a lump sum benefit. However, a member may choose to convert all or part of their retirement lump sum benefit into an indexed retirement pension. A retirement benefit is payable from Division C when a member:

- retires from the Commonwealth Bank Group (the Group) at or after age 55, including where you resign or are retrenched at or after this age
- exercises super choice with the Group at or after age 55
- turns 65 while employed by the Group
- is declared totally and permanently incapacitated (TPI)
- is a deferred member of Division C and elects to receive their retirement benefits at any time at or after age 55.

For more information on benefit entitlements, please read the *Member Booklet for Division C*, which is available from our website, oursuperfund.com.au/memberbooklets or by calling us.



Find out more or log in at
oursuperfund.com.au



Call **1800 023 928** 8am–7pm, Mon–Fri
or email via oursuperfund.com.au/login



Post to **GPO Box 4303,
Melbourne VIC 3001**

Benefits payable after a pensioner's death

When a Division C pensioner passes away, an ongoing entitlement may be payable for a spouse or child. These benefits, together with a definition of when someone is considered a spouse or child, are outlined in the following sections.

If the pensioner has no eligible spouse and no dependent children, no further benefit is payable from Division C.

Reversionary spouse pension

A pension, known as a reversionary pension, is payable for life to the pensioner's spouse.

Who is an eligible spouse?

'Spouse' is defined¹ by the Division C rules and means someone who, at the time of the pensioner's death, was any of the following:

- a person who was legally married to the pensioner, or
- a person of the same or opposite sex with whom the pensioner was in a relationship registered under a prescribed state/territory relationships register, or
- a person of the same or opposite sex who although not legally married to the pensioner, lived with them on a genuine domestic basis in a relationship as a couple;

and at the time of the pensioner's death, that person must have been either:

- living with the pensioner on a genuine domestic basis in a relationship as a couple, or
- not living with the pensioner on a genuine domestic basis in a relationship as a couple but who the trustee determines was substantially dependent on the pensioner at that time.

Based on these eligibility rules, sometimes more than one person may meet the definition of a spouse. For example, where the pensioner was separated but not divorced from their legal spouse and still providing substantial financial support to that person, and the pensioner had subsequently begun a de facto relationship. In this case, a reversionary benefit may be payable to each eligible spouse in proportions determined by the trustee. If more than one person ordinarily meets the definition of spouse but none were substantially dependent on the pensioner at the time of their death, the trustee determines the one person that qualifies for reversionary pension purposes.

Child allowance

Who is an eligible child?

'Child' is defined¹ by Division C rules and means a person who is any of the following:

- the pensioner's natural, adopted or ex-nuptial child, or step-child²
- the natural, adopted or ex-nuptial child of the pensioner's *spouse*
- a child born to the pensioner or their *spouse* through artificial conception or surrogacy.

A 'dependent child' means someone who is the pensioner's child but does not include:

- a person who we determine was not dependent on the pensioner at the date of your death
- a person who has turned 16 and is not receiving full-time education at a school, college or university
- a person who has turned 25.

An 'associated child', in relation to the pensioner's spouse, means the pensioner's dependent child who is also a child of their spouse.

How the reversionary spouse pension and child allowance amounts are calculated

The amount of the spouse reversionary pension and child allowance depends on the pensioner's circumstances, as outline in the following table.

The pensioner has a spouse only but no children

- the spouse receives 100% of the pensioner's entitlement for the first six fortnightly pension payments and 67% of the pensioner's entitlement thereafter for life.
- If the reversionary pension is split between one or more eligible spouses, each spouse receives 100% of their allocated portion of the pensioner's entitlement for the first six fortnightly pension payments and 67% of their portion thereafter for life.

The pensioner has a spouse and associated children, but no other dependent children

- The spouse reversionary pension is payable as above.
- **Plus**, an additional 11% of the spouse reversionary pension is payable for each child, to a maximum of 100% of the pensioner's entitlement. The child allowance is payable for a child until they turn 16 if they're in full-time education, or until they turn 25 if not in full-time education.

The pensioner has a spouse and dependent children who are not associated children of any spouse

- The spouse reversionary pension is payable as above.
- **Plus**, an allowance is payable for these dependent children. The calculation and allocation of benefits in this case may be complex and is subject to the trustee's discretion.

¹ This definition applies where the pensioner's date of death occurred on or after 1 July 2008. Different definitions apply for a death prior to 1 July 2008.

² A person is generally considered to be a step-child only while that child's natural parent is an eligible 'spouse' (as defined). If the child's natural parent is not an eligible reversionary spouse, then the child isn't generally considered an eligible child.

The pensioner has dependent children but no spouse

- An allowance of 100% of the pensioner’s entitlement is payable for the first six fortnightly pension payments and the following allowances are payable thereafter:

Number of dependent children	Percentage of pension entitlement
4 or more	100%
3	90%
2	80%
1	45%

- The child allowance is only payable in relation to each eligible child until they turn 16 if they’re in full-time education, or until they turn 25 if not in full-time education.

The pensioner has no spouse or dependent children

- No further benefit is payable after the pensioner’s death.

A spouse’s reversionary pension increases on 1 July each year in line with movements in inflation, as measured by the Consumer Price Index that applies to Division C rules. To find out more about how this works, read our DB pension indexation: Division C fact sheet, available from oursuperfund.com.au/factsheets.

Notifying us of a death and the information required

We understand that this will be a busy and emotional time. We ask you to let us know as soon as possible about a pensioner’s death so that we can begin the process of calculating and paying any reversionary benefit entitlements with minimal delays to the continuity of pension payments.

Payment of any reversionary benefits is effective from the pensioner’s date of death. However, when we’re notified of a death, the original pension payments may stop for a short period while we ensure the correct reversionary pension details are set up. Once the reversionary pension begins, the first payment will include any backdated payments if required.

To notify us of the death of one our pensioners, you can call us on 1800 023 928, between 8am and 7pm (AEST/AEDT) Monday to Friday, or if you’re outside Australia, call +61 3 8306 0977.

Please note that if you have informed the Bank, via a branch of the Bank, you will still need to advise Group Super separately. The benefit you receive from Group Super is not a ‘Bank product’ so the Bank would not ordinarily inform the Fund of a death.

Following notification, there’s further information and documents we need to collect regarding a reversionary spouse and their relationship with the pensioner, and any eligible children. This helps us ensure the correct entitlements are paid.

To comply with anti-money laundering and counter-terrorism financing laws, we need to establish the identity of a spouse or child before any money can be paid to them in cash. We’ll ask for identification such as a certified copy of a driver’s licence, passport or birth certificate.³

Information and document requirements

The information and documents we require to help us assess any reversionary benefits are outlined in the checklist below. These requirements may change from time to time, so please also check the letter we send at the time we’re notified of a death to ensure that all required information is provided to us.

Complete

Please refer to the Completing proof of identity/certifying documents guide, for more information for suitable forms of identity documents and how to certify documents when required.

Required in all cases in relation to the deceased pensioner:

- Certified copy of *Death Certificate*
- Certified copy of identification (e.g. current drivers licence, passport)

Required in all cases in relation to a reversionary spouse applicant (if applicable):

- Certified copy of identification (e.g. current drivers licence, passport)
- Reversionary spouse pensioner details* form – provided following notification of death
- Tax File Number Declaration* – provided following notification of death
- Declaration in Respect of Payment of Death Benefit* – provided following notification of death

Required proof of relationship for a legal spouse

- Certified copy of Certificate of Marriage*
- If a reversionary spouse was not living with the pensioner at the time of their death, we require additional information to assess whether they were substantially dependent on the pensioner at that time.

³ From time to time, we may also require additional information to assist with this process. We may be required to report information about the pensioner or beneficiary to the relevant authorities. We may not be able to tell the pensioner or beneficiary when this occurs. We may not be able to transact with the pensioner or beneficiary. This may include delaying, blocking, freezing or refusing to process a transaction or ceasing to provide you with a product or service. This may affect your investment and could result in a loss of income and principal invested.

Required proof of relationship registered under State or Territory register

- Certified copy of registration.
- If not living with the pensioner at the time of their death, we require additional information to assess whether they were substantially dependent on the pensioner at that time.

Required proof of relationship for a de facto spouse

- Objective evidence confirming that a genuine de facto relationship continued up until the time of the pensioner's death, e.g. bills in joint names, property held in joint names, provisions in a Will, etc.
Some factors we consider in order to determine eligibility of a de facto spouse include:
 - duration of the relationship
 - nature and extent of the common residence
 - whether or not a sexual relationship existed
 - degree of financial interdependence and any support arrangements between the parties
 - ownership, acquisition and use of property
 - whether the relationship produced any children
 - performance of household duties
 - degree of mutual commitment and support
 - reputation and public aspects of the relationship, e.g. acknowledgement among family or friends.Important: We strongly suggest a pensioner who's in a de facto relationship advise us of the relationship in writing, including the date the relationship began. Likewise, let us know if the relationship ends. While we'll still need evidence of the relationship at the time of death, having an acknowledgement of the relationship on a pensioner's record can be helpful.

Required where Power of Attorney is completing any forms on behalf of a spouse

- Certified copy of the complete Power Of Attorney document
- Certified copy of Power of Attorney's identification (e.g. current drivers licence, passport)

Please refer to the Completing proof of identity/certifying documents guide, for more information for suitable forms of identity documents and how to certify documents when required.

Delay in notifying or providing information

A reversionary pension is entitled to be paid from the date of the pensioner's death. However, we must receive all required information and documents to confirm the eligibility and identity of the beneficiaries before we can make the first reversionary pension payment.

It's important to understand the following implications if there's a delay in notifying us of a death, or in providing information required to determine eligibility for reversionary benefits.

Delay in providing information for reversionary benefits

If there's a delay in providing any of the requested information, there may be a gap between the pensioner's last pension payment and the reversionary beneficiary's first pension payment. The first reversionary payment will include any backdated payments if required.

Delay in notification of a death

If a pension has continued to be paid after the pensioner's death, there may be an overpayment that we'll need to recover. Even if a reversionary pension may be payable, this pension is a percentage of, and generally less than, the original pension entitlement so an overpayment may still occur.

An overpayment may be addressed in different ways:

- If there's an eligible spouse or child, we'll adjust the amount of the reversionary benefits by the overpaid amount.
- If there's no eligible spouse or child, we'll seek recovery of any overpayment from the pensioner's estate.



Find out more or log in at oursuperfund.com.au



Call **1800 023 928** 8am–7pm, Mon–Fri
or email via oursuperfund.com.au/login



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