



Fact sheet:

Reversionary benefits following the death of a Division B 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 B 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 B pensions

Superannuation through Division B of our fund generally applies to someone who began employment with the Commonwealth Bank before 1990 and didn't take up any subsequent offers to transfer their super to another division of our fund.

A pension is the default retirement benefit from Division B and it's payable when a member:

- leaves employment with the Commonwealth Bank Group (the Group) due to retirement, resignation or retrenchment at or after age 55
- exercises choice of super fund with the Group at or after age 55 (while still employed by the Group)
- is a deferred/post-employment Division B member and chooses to begin their retirement pension at or after age 55
- is declared totally and permanently disabled at any age.

These events are referred to as the 'pension trigger event' in this fact sheet. For more information on benefit entitlements, please read the *Member Booklet for Division B*, 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** between 8am-7pm (AEST/AEDT) Monday to Friday or **+613 8306 0977** if outside Australia 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 B 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 B, other than any residual component that may be payable if the pensioner had a non-indexed component to their pension, and the trigger event occurred after **30 June 1990**. Any residual amount is calculated as the pensioner's accumulated contributions as at their pension trigger event date, less the total amount of non-indexed pension benefits already paid to them. This residual amount is paid to the pensioner's legal personal representative (i.e. the executor or administrator of the pensioner's estate, who then distributes the death benefit along with their estate), or to such other person as the trustee determines. This residual calculation also applies following the death of any eligible reversionary spouse.

In some case, such as if the pensioner had been receiving their pension for a long time, there may not be any residual lump sum amount payable.

Reversionary spouse pension

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

Who is an eligible spouse?

If the pension trigger event occurred on or after 1 July 2008: 'Spouse' is defined¹ by the Division B 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.

If the pension trigger event occurred before 1 July 2008: 'Spouse' is defined¹ by the Division B 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 (whether 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 (whether 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, the person must have been either:

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

How the reversionary pension amount is calculated

The reversionary spouse pension is equal to 67% of the pension that the pensioner was entitled to at the time of their death.

Based on the 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 but the total reversionary pension payable will not exceed 67% of the pensioner's entitlement. It will be at the trustee's discretion as to the amount or proportion paid to each eligible spouse.

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 B rules. To find out more about how this works, read our **DB pension indexation: Division B, C, D, CH, CK, or CO** fact sheet, available from oursuperfund.com.au/factsheets.

Child allowance

Who is an eligible child?

'Child' is defined¹ by Division B 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.

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.

However, a person is not, or would no longer be, considered to be an eligible *child* if any of the following apply:

- in the trustee’s opinion, they were not dependent on the pensioner at their time of the pensioner’s death, or
- they’re aged 16 or over and not receiving full-time education at a school, college or university, or
- they’re aged 25 or over (regardless of education status).

How the child allowance is calculated

For each eligible child, the reversionary spouse receives an additional child allowance equal to 11% of the pensioner’s entitlement³ at the time of their death. The total child allowance can’t exceed the pensioner’s full pension entitlement.

If the pensioner has no eligible spouse but does have one or more dependent children, the following allowance is payable:

Number of dependent children	Percentage of pensioner’s entitlement payable
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.

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 of 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.³

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.⁴

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 pensioner’s 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. drivers licence, passport)
- Certified copy of proof of the member’s address (e.g. current drivers licence).
- 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 For this purpose, the pensioner’s entitlement doesn’t include any non-indexed pension component if the pensioner was a retired member, other than an invalid member.

⁴ 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. 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



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