

# Anti-Detriment Payments

## 1. What is an anti-detriment payment?

Like other superannuation funds, the Superannuation Office deducts 15 per cent contributions tax on contributions and untaxed rollovers, which is forwarded to the Australian Taxation Office (ATO). Investment earnings within superannuation are also taxed at up to 15 per cent.

An anti-detriment payment is a refund of the contributions tax paid within a taxed superannuation account, in the event of a member's death. It is paid as a top up to the members benefit, and is also known as a 'tax saving amount'.

An anti-detriment payment is only payable where eligible dependants exist.

## 2. What is paid?

The employer-funded defined benefit is paid to the estate without tax being deducted. Any tax payable is paid by the estate.

An active members' accumulation account may include the employee's own compulsory contributions, salary sacrifice contributions, other voluntary contributions, superannuation benefits from other schemes rolled into NTGPASS, as well as earnings on the account balance.

Tax will be refunded on contributions and investment earnings that have had contributions tax deducted.

**Note:** From 15 January 2016, NTGPASS members who claim their employer-financed defined benefit are no longer able to retain their benefits in NTGPASS.

## 3. How is the payment calculated?

The payment is worked out in accordance with the Australian Taxation Office formula.

In cases where some, but not all, of the deceased's superannuation beneficiaries are eligible dependants, the anti-detriment payment will be apportioned accordingly.

If payable, the Superannuation Office will pay the amount to the estate in addition to the death benefit.

## 4. Who is it paid to?

Anti-detriment payments can be made if the NTGPASS benefit is being paid:

- to a Spouse or former Spouse of the deceased;
- to a Child or stepchild of the deceased; or
- indirectly to one or more of these beneficiaries through the deceased member's estate.

NTGPASS death benefits are generally paid to an estate. Payments made to an estate must take into account who the beneficiaries are. The amount of the anti-detriment payment is dependent on the extent to which the spouse, former spouse or child(ren) benefit from the estate.

**Spouse** - includes de facto, opposite or same-sex.

**Child** (biological, adopted, ex-nuptial) - includes an adult child, whether financially dependent or not. PAYG tax is payable where a child is aged 18 or more and is not financially dependant - this is deducted by the trustee of the estate.

The following table shows the classification of a dependant for the purposes of calculating an NTGPASS benefit, an anti-detriment payment, and the payment of tax.

	Dependant?		
	NTGPASS	Anti-detriment	ATO
Spouse, former spouse	Yes <sup>1</sup>	Yes <sup>1</sup>	Yes
Child, step-child, adopted child	Yes	Yes	Yes <sup>2</sup>
Adult child	Yes	Yes	No
Other financial dependent or person in interdependency relationship	Yes	No	Yes

1 Former spouse must be financially dependent.

2 Step-child possibly not if biological parent dies before step-parent.

An NTGASS benefit is paid to all of the dependant types, but anti-detriment is only paid to Spouse and Child dependants, not other financial dependants. Generally tax is only payable where the dependant is an adult child.

Dependant and beneficiary details are confirmed with the executor of the estate prior to payment.

## **5. When is it not paid?**

An anti-detriment payment is not payable when:

- there are no eligible dependants;
- a death benefit is paid as a pension, or
- a member takes a terminal illness benefit prior to death.

Members suffering a terminal medical condition will need to decide whether to receive all or some of their benefits before death (without an anti-detriment payment), or wait and have the proceeds paid as a death benefit to beneficiaries who are eligible to receive an anti-detriment payment.

## **6. More information**

We can not provide personal financial advice. If you require assistance you can seek the services of a qualified professional.

We have a range of information and fact sheets available to our members. For more information you can contact our office or visit our website.

## **7. Disclaimer**

The material in this fact sheet is provided for information purposes only and should not be relied upon for making financial commitments. The Commissioner of Superannuation and the Northern Territory of Australia accepts no responsibility for any losses arising from any use or reliance upon the information or conclusions reached using the information.