

NTGPASS, NTSSS and NTGDIS death benefit

What is this fact sheet about?

This fact sheet outlines the rules regarding benefits payable after the death of a Northern Territory Government and Public Authorities Superannuation Scheme (NTGPASS) member or a Northern Territory Government (Territory Government) employee covered by the Northern Territory Government Death and Invalidity Scheme (NTGDIS).

This fact sheet is designed to assist dependants or executors of a deceased member's estate in applying for benefits from NTGPASS and NTGDIS.

For specific information on NTGPASS and NTGDIS, contact the Northern Territory Superannuation Office (NTSO) via email ntsuperannuation@nt.gov.au, or visit the website, www.super.nt.gov.au.

What is paid?

NTSO is responsible for paying NTGPASS, NTSSS and NTGDIS benefits. If an employee holds accounts with other superannuation funds, then these funds should be contacted directly to determine their account balances and whether benefits are payable under insurance policies.

- NTGPASS – In the event of a member's death, their NTGPASS defined benefit plus an additional prospective component (if eligible) is payable to their estate.
- NTSSS – In the event of a members' death, their NTSSS defined benefit is payable to their estate.
- NTGDIS - In the event of a member's death, only a death benefit is payable (if eligible) to their estate.

NTGPASS, NTSSS and NTGDIS members cannot nominate beneficiaries, binding or otherwise, to receive benefits in the event of their death.

What is a death benefit?

For eligible NTGPASS members, a death benefit comprises of their accrued employer component and the prospective employer component. For eligible NTGDIS members, the death benefit consists entirely of the prospective component. A death benefit cannot be paid as a pension and the prospective component is only payable where an employee is survived by a dependant(s).

The prospective component is not payable once a member ceases Territory Government employment or otherwise ceases membership of the NTGPASS or NTGDIS.

The amount of the prospective component reduces as members get older, with the reduction rate increasing for members between the ages 50 to 59. Members aged 60 and over are not eligible for the prospective component of the death benefit (from either scheme).

The prospective component of the death benefit may be fully or partly offset by any amount paid under workers' compensation legislation or under a workers' compensation agreement, such as a Hopkins agreement.

The prospective component is calculated as:

$$17.5\% \times \text{benefit salary} \times \text{prospective service} \times \text{employment ratio}$$

Benefit salary

For NTGPASS members, the benefit salary is the average of their last three contribution salaries, after these salaries have been updated to a current value using the movement in average weekly earnings.

For NTGDIS members, the benefit salary is the final salary (including approved allowances) for NTGDIS purposes at the date of death.

For part time employees, the benefit salary is converted to full time equivalent salary.

Prospective service

Generally, prospective service is calculated as the difference between the age at death and age 65.

For part time employees, the part time ratio is taken into account.

Who is a 'dependant'?

The *Superannuation Act 1986* defines 'dependants' (at the time of a member's death) to include a spouse, de facto or same sex partner, children and adopted children, and a person in an interdependency relationship with the deceased. The definition is inclusive, so will also include people who were financially dependent on the deceased.

In determining whether a death benefit is payable, information about an employee's dependants and next of kin is sought from the employee's payroll and human resources area. This information is required upon commencement of employment and should be updated annually. Employees need to advise their human resources area of any changes to their next of kin.

Death benefits over \$30,000

In accordance with the *Superannuation Act 1986*, death benefits over \$30,000 must be paid to the estate of the deceased member. NTSO will pay the benefit by cheque or via electronic fund transfer (EFT) once the following information is provided (as appropriate):

- Grant of probate, letters of administration or election to administer a small estate, granted by the Supreme Court of the Northern Territory¹
- Will

- Death certificate
- Marriage certificate²
- Children's birth certificates.

¹The Registrar of the Northern Territory Supreme Court is responsible for granting Probate or Letters of Administration. Further information is available from their website www.supremecourt.nt.gov.au or by phoning (08) 8999 6574.

²The official marriage certificate issued by the relevant public authority is required. In the case of tribal marriages or de facto relationships, a statutory declaration may suffice.

NTSSS death benefits

Active members of NTGPASS will also be members of the Northern Territory Supplementary Superannuation Scheme (NTSSS). The NTSSS does not provide an additional death benefit. In the event of a member's death, their NTSSS benefit is usually payable to their estate. However, the Commissioner of Superannuation (the Commissioner) also has a discretion to pay NTSSS benefits directly to a dependant or dependants of the deceased.

Death benefits under \$30,000

The Commissioner has the discretion to pay a death benefit that is under \$30,000 directly to a dependant or toward the expenses of the deceased's funeral. Payments in excess of \$30,000 may be made to a dependant if the Commissioner is of the opinion that the payment will alleviate financial hardship.

Probate or Letters of Administration are not required in for these payments, however, the following information (as appropriate) must be provided to NTSO:

- Will
- Death certificate
- Marriage certificate¹
- Children's birth certificates
- Statutory declarations regarding the relationship between the deceased and the dependant
- Certified identification of the claimant
- Where financial hardship is claimed, evidence of that hardship

¹ The official marriage certificate issued by the relevant public authority is required. In the case of tribal marriages or defacto relationships, a statutory declaration will suffice.

In certain circumstances, additional documentation may be required.

Death benefit estimate

If you are managing the estate of a deceased member, you can obtain an estimate of the deceased's NTGPASS, NTSSS and NTGDIS benefits by emailing ntsuperannuation@nt.gov.au along with the certified copy of the death certificate.

How do I claim?

Complete and return the relevant Death benefit claim form (depending on the deceased's scheme membership) to NTSO.

Email form and supporting documents to: ntsuperannuation@nt.gov.au

or

Post form and supporting documents to: Northern Territory Superannuation Office GPO Box 4675, Darwin NT 0801

Taxation

NTSO does not withhold tax from death benefits, except in limited circumstances. Whether a death benefit is subject to taxation in the hands of a beneficiary can depend on various circumstances, including whether the Australian Tax Office (ATO) deems the beneficiary to be a dependant. The ATO's definition of a dependant differs from that of NTSO. Seek taxation advice from a qualified professional if you require further information.

Role of Superannuation office

Being responsible for the administration of a deceased estate can be time-consuming and challenging. Staff of the Superannuation Office can assist in this process by providing information, however, they cannot provide financial advice.

If you require assistance, you can seek the services of a qualified professional such as financial advisor or a legal representative that specialises in estate planning.

The [MoneySmart website](#) provides advice on how to choose a financial advisor.

Disclaimer

The information made available in this fact sheet is provided as a guide only and should not be relied upon for making financial commitments.

The Commissioner of Superannuation and the Northern Territory of Australia accept no responsibility for any losses arising from any use or reliance upon the information or conclusions reached using the information.