

BENEFICIARIES and DEPENDENTS



A beneficiary is someone who benefits when a person dies. On a benefit statement there will be a line that shows who the beneficiaries are on the policy. If you don't select a beneficiary, it creates problems for the Trustees of the retirement fund to decide who to give the money to if the employee dies.

A nominee is a person or organisation that has no formal, direct relationship with you. This might be the church, or a charity, a school or university.

If there are funds left over after all the dependents (the beneficiaries) have been treated fairly, the Trustees can then allocate funds to the nominees.



There are 3 kinds of dependents:

- **Legal dependents** – A person who is legally entitled to be maintained by the deceased due to their relationship to the deceased. An example of a legal dependent is a spouse or a biological child.
- **Factual dependents** – A person who was in fact dependent on the member at the date of death for maintenance, for example, a person who lived together with the deceased as husband or wife but without being formally married to them.
- **Future dependents** – A person who would have become legally liable for maintenance if the member has not died, for example, an engaged couple or another person who would have married the deceased.

If your nominated beneficiaries are different to your financial dependents, the Trustees might rule that the money is allocated to your financial dependents.

