

Quiz

Binding Death Benefit Nomination tips and traps

1. Which of the following body of laws govern the payment of superannuation death benefits?

- a. Superannuation law
- b. Trust law
- c. Taxation law
- d. All of the above

2. Who are the superannuation dependents as defined by superannuation law?

- a. Spouses, children of all ages and people who are in an interdependent relationship with the deceased
- b. Spouses and minor children
- c. Spouses, minor children and children under the age of 25 who are studying full time
- d. Any person stipulated in the binding death nomination of the deceased

3. What is the status as stepchildren under superannuation law?

- a. Superannuation law does not recognise stepchildren as dependants of a step-parent on the death of their natural parent, since the relationship between the deceased spouse and the living spouse is then considered severed
- b. Superannuation law will recognise stepchildren as dependents of a deceased person if the deceased person previously benefited from the children's parent's estate
- c. Superannuation law will recognise stepchildren as dependents of a deceased person if the deceased was married to the children's

parent at the time of his or her death

d. Superannuation law will recognise stepchildren as dependents of a deceased person if the deceased was married to the children's parent at some time in his or her life

4. How can a death benefit gift be challenged?

a. By attacking the validity of the binding death nomination

b. By challenging the trustee's position, that is the person who controls it

c. By asserting a conflict of interest

d. All of the above

5. What was the decision of the court in Marsella v Wareham (No 2) [2019] VSC 65?

a. That a trustee of a superfund has absolute discretion in coming to a decision relating to a death benefit payment

b. That a trustee of a superfund has absolute discretion in coming to a decision relating to a death benefit payment, but only if there is no binding death nomination in place

c. That a trustee of a superfund has a discretion in coming to a decision relating to a death benefit payment so long as they take a real and genuine consideration of the claims of all potential beneficiaries

d. If a trustee of a superfund wishes to pay a death benefit to themselves, they must resign as trustee to avoid a conflict of interest

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Answers:

1. D 2. A 3. C 4. D 5. C