



Death benefits

Background

This factsheet gives an overview of who is eligible, and what is payable in the event that a CSS member or pensioner passes away.

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Who is eligible to receive a benefit?

Depending on the circumstances, death benefits may be paid to the following:

- an eligible spouse
- eligible children
- partially dependent children
- legal personal representative
- children otherwise considered to be 'ineligible'
- if none of the above can be found, to another individual/s.

Note: A spouse and/or child may be eligible to receive a death benefit, even if they were not financially dependent on the CSS member at the time of their death. However, they may not be regarded as a dependant for taxation purposes.

Note :

The definition of an eligible or partially dependent child has changed with effect from 1 January 2020. Deaths occurring before this date will be subject to the old criteria, although certain transitional arrangements have also been introduced—please contact us for more information.

Death benefits will vary, depending on the type of membership and the amount of funds held within CSS.

Death benefits for *associate members* will be paid as a lump sum only to their legal personal representative—either the Executor of their Will, or Administrator of their Estate. If no such person exists, the benefit will be paid to such individuals as CSC determines. If an *associate pensioner* dies, there will be no further benefit payable.



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Spouse benefits

Eligibility for spouse benefits

For the purpose of CSS benefits, an eligible spouse is a person who was in a marital or couple relationship with the deceased at the time of death. The following types of relationships are considered to be a marital or couple relationship:

- living with each other as husband, wife, spouse or partner on a permanent and bona fide domestic basis for a continuous period of at least three years at the time of death; or
- living with each other for a continuous period of less than three years at the time of death but, having regard for all relevant evidence, CSC is of the opinion that they were living with each other as husband, wife, spouse or partner, on a permanent and bona fide domestic basis at the time of death.

A person may be entitled to a spouse benefit if they previously had a marital or couple relationship but the relationship had ended before the member's death if:

- the member was legally married to them at the time of death; and
- the person was wholly or substantially dependent upon the member at the time of death.

In certain circumstances, a member or pensioner and their spouse may not be living together at the time of death. If this is due to a temporary absence, illness or infirmity, CSC may determine that the couple would have been living together, were it not for the temporary absence, illness or infirmity.

In making an assessment for eligibility, we may consider a range of evidence specific to the relationship. Please refer to the application form for more information about providing evidence.

If the deceased has an eligible spouse at the time of their death, the benefit will be paid to the spouse. If there are eligible children living with the spouse, the rate of the spouse's pension will increase, but the benefit belongs to the spouse. If there are eligible children who are not living with the spouse, they will be paid separately. If there are multiple independent eligible parties, CSC may apportion the benefit amongst the parties.

Benefit entitlements: spouse of a contributing or deferred benefit member

An eligible spouse may choose to receive their benefit as an additional (non-indexed) pension and/or lump sum as well as their standard (indexed) pension.

If a Benefit Classification Certificate was in place at the time of death, and death was caused by or related to the condition listed on the certificate, the only benefit payable is a lump sum. For more information about benefit options, please contact us.

The pension payable to a spouse of a contributing or deferred benefit member is calculated as a percentage of the invalidity pension that would have been payable to the member had they retired on invalidity grounds at the date of their death. **Table 1** below shows the percentages applicable to dependents.

For a contributing member, the invalidity benefit is calculated as if the deceased had worked until age 65*.

For a deferred benefit member, the invalidity benefit is not projected to age 65. Instead it's based on the balance of the deceased's account.

Members who claim their CSS benefit on age retirement or redundancy grounds can elect to receive a reduced pension (93% of the normal rate) in return for a higher spouse and/or children's pension being payable after their death. This option is not available to those who retire on invalidity grounds, or those who die while a contributing or deferred benefit member.

*A lower age may apply to some occupations. The invalidity pension will take into account any reduction in benefits that may apply due to a benefit classification certificate.

Table 1		
Dependents	Percentage of pension (normal rate)	Percentage of reduced pension
Spouse only	67%	85%
Spouse and one child	78%	97%
Spouse and two children	89%	108%
Spouse and three or more children	100%	108%

Benefit entitlements: spouse of a pensioner

When a pensioner dies, an eligible spouse will be entitled to receive a pension. This pension will be a percentage of the pension being paid to the deceased pensioner at the time of death. The percentage will depend on whether the member chose the reduced pension (higher dependent pension) option at retirement. **Table 1** above shows the applicable percentages.

The spouse pension payable may be reduced if the marital or couple relationship:

- started after the former member's pension commenced; and
- started after the former member turned 60; and
- existed for less than three continuous years at the date of death.

Example

Peter retired at age 55 and claimed his pension immediately. When he was 62 he met Susan and they commenced a couple relationship. Peter passed away at age 64, two years after the relationship began. If Susan is considered eligible, she will receive two-thirds of the full spouse's pension.

What if there's more than one eligible spouse?

If a deceased member or pensioner is survived by more than one eligible spouse, the benefit payable may be shared between the spouses. CSC will consider the needs of each spouse before determining any apportionment. We may require evidence so that we can make this determination.

What if the spouse starts a new relationship?

The spouse pension will continue to be paid if the surviving spouse commences a new relationship or remarries. However, the spouse pension will not revert to the spouse's new partner when he or she passes away.

An associate pension that is payable to a non-member spouse following a family law split does not pass to the associate's new spouse or children.

Child benefits

Eligibility for child benefits

An eligible child may include a natural child, an adopted child, an ex-nuptial child, a step-child, a child of the deceased member within the meaning of the *Family Law Act 1975*, or any other person CSC determines is to be treated as a child of the deceased member.

Benefits may be paid in relation to an eligible child or children if they are:

- under the age of 18; or
- between 18 and 25 and in full time study at a school, college or university.

And, before the death of the member they:

- lived with the deceased member; or
- were wholly or substantially dependent on the deceased member; or
- were born after the death of the member, and would have lived with or been dependent on the member, if they had been born before the member's death.

Children's pensions are payable until they reach 18 years of age, or until age 25 if they are in full time study. If benefits are payable for a spouse as well as eligible children, the pension paid to the spouse will be increased according to the number of eligible children (see **Table 1**). However, if an eligible child does not live with that spouse, the pension may be paid to the child separately. If there are multiple independent eligible parties, CSC may apportion the benefit amongst the parties, depending on their dependence on the deceased at the time of their death.

Orphan benefits

If there are eligible children but no eligible spouse, 'orphan' benefits are payable. The pension payable to an orphan is a percentage of the deceased's pension entitlement. **Table 2** shows the applicable percentages.

Table 2		
Number of orphans	Percentage of pension (normal rate)	Percentage of reduced pension
One	45%	51%
Two	80%	92%
Three	90%	108%
Four or more	100%	108%

Partially dependent children

A partially dependent child is a child of the deceased who:

- is not an eligible child; and
- is under the age of 18; or
- aged between 18 and 25 and in full time study at a school, college or university.

And before the death of the member they were receiving voluntary or court ordered maintenance payments. If the child was born after the member's death, they may still be a partially dependent child.

A partially dependent child may include an adopted child, an ex-nuptial child, a step-child, a child of the deceased member within the meaning of the *Family Law Act 1975*, or any other person CSC determines is to be treated as a child of the deceased member.

What if there is no eligible spouse or children?

If a member or pensioner dies and no spouse and/or child benefits are payable, a residual benefit may be payable to their legal personal representative, usually the Executor of their Will, or Administrator of their Estate. The benefit may also be paid to ineligible children—that is, children that don't qualify as eligible or partially dependent children. If there is no legal personal representative or ineligible children, CSC may pay the benefit to another individual that CSC so determines.

The benefit payable, if any, will vary depending on whether the deceased was contributing to CSS, a deferred benefit member, or receiving a pension at the time of their death. It will also depend on whether they retired on the grounds of age, redundancy or invalidity. If there is no eligible spouse, child, or residual benefit payable, no further amounts will be paid.

Contributing or deferred benefit member

If the member is a contributing or deferred benefit member at the time of death, the benefit payable will consist of their member contributions and fund earnings, and the minimum employer benefit payable under the superannuation guarantee legislation.

Pensioner

The minimum benefit payable is the total of the member contributions and fund earnings, and the minimum employer benefit payable under the superannuation guarantee legislation.

If there are no dependents, the minimum benefit payable is compared to the total benefits already paid out as pension and lump sum to determine if any amount remains payable. Any amount payable will be paid to the legal personal representative or another individual.

Surcharge debts

If a contributing or deferred benefit member dies, any outstanding surcharge debt is deducted from the benefits payable to their spouse, children or other beneficiaries.

Pension adjustments

Standard pensions paid to spouses and/or children are subject to twice-yearly adjustments based on upwards movement in the Consumer Price Index (CPI). Any CPI adjustments will take effect from the first pension payday in January and July. We will send notifications if the entitlements increase.

How to apply

Before making an application for a CSS death benefit, please contact us on the number below. We will guide you through the claims process, explain which forms you need to complete, and the evidence you should provide.

Where can I get more information?

Our office is located at **7 London Circuit, Canberra City**. Come in and see us, or contact us at the below details for more information.



EMAIL members@css.gov.au
PHONE Members: 1300 000 277
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