



The facts about

CSS Death benefits

Who should read this?

CSS members who would like information on the benefits available to their dependants on their death. You should read the fact sheet together with your spouse to ensure that both of you understand the options available.

What is in this fact sheet?

- > Who is eligible to receive a benefit?
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Who is eligible to receive a benefit?

Benefits are payable to your eligible spouse and/or children should you die whilst you are a contributing member, a deferred benefit member or after retirement provided you were receiving a CSS pension. The calculation of benefits and the eligibility requirements that

need to be satisfied at the time of your death are explained below.

On your death, your spouse will receive a CSS benefit provided that he/she had a marital relationship (see 'What does marital relationship mean?') with you at the time of your death.

What does 'marital relationship' mean?

A marital relationship is where two people of the opposite sex live together as husband and wife in a permanent and bona fide domestic relationship for a continuous period of at least three years prior to the date of death.

If the relationship had been in existence for less than three years it can still be determined that a marital relationship existed after consideration of such matters as:

- > the length of the relationship
- > whether the persons were legally married
- > financial dependence
- > whether there were children of the relationship
- > joint ownership of property
- > any other evidence ARIA may consider relevant.

Where a person previously had a marital relationship, but that relationship ceased prior to the date of death, a spouse's benefit may still be payable if your spouse remained legally married to you at the time of your death and it is determined that your spouse was wholly or substantially dependent on you at the time of death.

Also, a person can still be considered to be living with another person on a permanent and bona fide domestic basis where it is determined that the person would have been living with the other person except for a temporary absence or an absence resulting from illness or infirmity.

What benefit is payable?

Higher dependant pension option

If you retire on age or involuntary retirement grounds or claim your deferred benefit on age grounds you can elect to receive a lower pension at that time in return for your spouse and/or children receiving a higher pension following your death.

You can elect to reduce your pension to 93% of the normal pension rate and, in return, your eligible spouse and/or children will receive a higher pension following your death (refer to Tables 1 and 2).

This option is not available if you retire on invalidity grounds or if you die while you are still a contributing or deferred benefit member of the CSS.

Spouse of a contributing member or deferred benefit member

If you die whilst you are a contributing or deferred benefit member, the pension payable to your eligible spouse will be a percentage of the invalidity pension that would have been payable had you retired on invalidity grounds. The various percentages are shown in the middle column of Table 1.

The potential invalidity pension would take into account any reduction in benefits that may apply because of the application of a Benefit Classification Certificate (refer to **The facts about invalidity benefits** for further information).

Your spouse may choose any of the benefit choices that would have been available to you on invalidity retirement. For example, if your spouse decided to take a standard CPI indexed pension and a lump sum, he/she would be paid a pension of 67% of your potential invalidity standard CPI indexed pension and 100% of the

lump sum that would have been payable (i.e. a lump sum of your member contributions and Fund earnings and productivity component).

Spouse of a pensioner

If you die whilst receiving a CSS pension, your eligible spouse is entitled to receive a pension that is a percentage of the pension being paid to you at the time of your death.

The percentage payable will depend on whether you chose the higher dependant pension option at the time of your retirement. The various pension percentages are shown in Table 1.

If your marital relationship commenced after you began receiving your pension and after you reached age 60, and the relationship had been in existence for less than three years at the date of death, your spouse will receive a proportion of the spouse's pension that would normally have been payable. For example, if the relationship had been in existence for one year, then your spouse would receive one-third of the full spouse's pension.

Apportionment of spouse's benefit

Where you are survived by more than one spouse, the benefit payable to each spouse may be apportioned having regard to their respective needs.

Continuation of spouse's entitlement on remarriage

Where a spouse who is receiving a pension remarries, the pension continues to be paid. However, you should advise us of your details as soon as possible so that our records remain correct and complete.

Payment of children's pensions

For the purposes of determining eligibility for CSS children's benefits, a child includes a natural child, an adopted child, an ex-nuptial child, a step-child, or a ward who was either living with you or wholly or substantially dependent upon you at the time of death.

A child can also include your spouse's child provided he/she was wholly or substantially dependent upon you at the time of death.

Where a child is born after the date of death, the child will be entitled to children's benefits if it is determined that the child would have lived with the member or been dependent on him/her.

Children's pensions are payable until the child reaches 16 years of age or until the age of 25 if the child is a full-time student and not ordinarily employed.

If there is a spouse and eligible children, the amount of spouse's pension payable is increased in respect of the eligible children.

If there are eligible children, but no eligible spouse, then orphan's benefits are payable.

The rates of spouse's pension (including children's pensions) and orphan's pension are shown in the tables below (the percentages in the 3rd columns of these tables only apply where a member chose the higher dependant pension option when they retired).

Rates of spouse's pension

Table 1 shows the percentage of your pension that would be payable to your spouse in the event of your death.

Table 1 - Calculation of spouse's pension		
Number of dependants	Amount as a % of former member's standard rate pension	Amount as % of former member's reduced rate 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%

* These percentage rates apply to a member who chose the higher dependant pension option when they retired - refer to the 'Higher dependant pension option' on page 2.

Rates of orphans' pension

The calculation of orphans' pensions is shown in Table 2.

Table 2 - Calculation of orphan's pension		
Number of orphans	Amount as a % of former member's standard rate pension	Amount as % of former member's reduced rate pension*
One orphan	45%	51%
Two orphans	80%	92%
Three orphans	90%	108%
Four or more orphans	100%	108%

* These percentage rates apply to a member who chose the higher dependant pension option when they retired - refer to the 'Higher dependant pension option' on page 2.

Payment of benefit where there are no dependants

If you die before retirement and no spouse and/or children's benefits are payable, a benefit comprising of your member contributions and Fund earnings and the minimum employer benefit payable under the Superannuation Guarantee legislation is payable to your Estate.

Minimum benefit payable - death of a pensioner

The minimum benefit that must be paid in respect of a CSS member is the total of their member contributions and Fund earnings and the minimum employer benefit payable under the Superannuation Guarantee legislation.

Where no further pension is payable (i.e. you die and no spouse and/or children's pensions are payable, or your spouse subsequently dies and no children's benefit is payable), the minimum benefit payable is compared to the total benefits paid out as pension and lump sum and any minimum benefit balance is paid to your Estate.

Surcharge debts

If you die as a contributing member or a deferred benefit member any surcharge debt is deducted from benefits payable to your Estate or spouse and/or children.

Where death occurs after retirement there is no subsequent adjustment of CSS benefits but the Australian Taxation Office (ATO) may seek to recover, from your Estate, any 'trailing' surcharge debt that had not been taken into account before the date of death. Generally such an amount relates only to the last financial year before retirement.

Bi-annual adjustment of pensions

Pensions paid in respect of spouses and/or children are subject to bi-annual cost-of-living adjustments based on upwards movements in the Consumer Price Index.

How to apply for a benefit

Death whilst a contributing member or deferred benefit member

Application for a benefit should be made by your spouse or legal representative using the form **Benefit application—spouse (or spouse and children) of a deceased member (SSM1-CSS)** which can be obtained from www.css.gov.au or by calling us on 1300 000 277.

The benefit application to be completed in respect of orphans, **Benefit application— orphan of a deceased member (SOM1)**, is also available.

Death following retirement

Application for a benefit should be made by your spouse or legal representative using the form **Spouse of a pensioner benefit application (S2SP-CSS)** which can be obtained from www.css.gov.au or by calling us on 1300 000 277.

The benefit application to be completed in respect of orphans, **Orphan of a pensioner benefit application (SOP-CSS)**, is also available.

Where can you get more information?

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