

If a member dies on or before 30 June 2017, an anti-detriment payment can be made before 1 July 2019. If a member dies after 30 June 2017, no anti-detriment payments can be made. From 1 July 2019, no anti-detriment payments can be made for eligible members, regardless of when the member died.

## What is an anti-detriment payment?

An 'anti-detriment payment' or 'tax saving amount' is the additional amount which is included in a lump sum death benefit paid to eligible beneficiaries.

This payment is designed to ensure that eligible beneficiaries of deceased super fund members do not suffer any 'detriment' as a result of the introduction of contributions tax in 1988.

Vision Super calculates an anti-detriment payment based on guidelines provided by the Australian Taxation Office (ATO).

## Who is eligible for an anti-detriment payment?

An anti-detriment payment can be made to:

- ▶ A spouse, former spouse or child (including an adult child) of the deceased member
- ▶ The trustee of the deceased member's estate, provided the beneficiaries of the estate are a spouse, former spouse or child.

The amount and applicability of this additional payment varies depending on each member's circumstances.

An anti-detriment payment can only be made when:

- ▶ The member dies on or before 30 June 2017 and the relevant payment is made on or before 30 June 2019, and
- ▶ An accumulation death benefit is paid as a lump sum, or
- ▶ A pension is commuted to a lump sum on the death of a pensioner (or reversionary pensioner) within applicable/prescribed periods.

## How do my beneficiaries know if they are eligible for an anti-detriment payment?

If your beneficiaries are eligible for an anti-detriment payment, Vision Super will automatically calculate this for them, and include this in your death benefit payment.

## Do all super funds offer anti-detriment payments?

There is no legal obligation on the trustee of a fund to make an anti-detriment payment. Therefore some public offer funds do not make them and others will not make an anti-detriment payment unless specifically requested to do so.

## Is tax payable on an anti-detriment payment?

Where the death benefit is being paid to a spouse, former spouse, or child under 18 years, the entire benefit, including the anti detriment payment, will be tax-free as these beneficiaries are dependents for tax purposes.

Where the death benefit is being paid to an adult child who was not financially dependent on the deceased, the entire benefit, including the anti-detriment payment, will be taxed on the taxable component. For the 2017/18 financial year, this is 17% for the taxed element and 32% for the untaxed element (including Medicare Levy).



## Need more help?

### We know your super inside out, so you don't have to worry!

If you would like further information about anti-detriment payments, or any of our products and services, please call our friendly Member Services team on 1300 300 820. You can also refer to our website for forms and other fact sheets.

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