

25. What evidence is there that Australians are able to achieve their desired retirement income outcomes without seeking formal financial advice?

Prior to consulting my lawyer to write a new will, I had assumed that if I were to die, my accumulated superannuation benefit would be paid to my estate and distributed according to the terms of my will. While I intend to use my superannuation to fund my retirement, my superannuation balance would be used to support my dependent children in the unfortunate event that I were to die before retirement.

My lawyer advised me that this wasn't the case - I had to complete binding death benefit nominations to ensure that my superannuation balance would actually be distributed in the same way as the rest of my estate.

This required more additional hard-copy paperwork and two more witnesses. Even then the binding death benefit nomination only lasts three years. This is the most burdensome part of managing my superannuation account.

Treasury's Superannuation binding death benefit nominations and kinship structures discussion paper stated that "The distribution of superannuation following a member's death is a relatively complex area of the superannuation system." (March 2019, pg 3). I would propose a small change to simplify superannuation to make it much simpler:

In the absence of a binding death nomination, accumulated superannuation balances should form part of the estate, and then distributed according to the terms of the will. This would bring the default outcome into line with what most Australians would expect to happen to their superannuation savings.