DEATH BENEFIT DEPENDANT - ADULT CHILD ASSESSMENT

Sections 302-195 and 302-200 ITAA 1997 - Adult child dependency / interdependency working paper

1. MEMBER AND BENEFICIARY DETAILS

Deceased member name

SMSF name

Adult child / beneficiary name

Date of death

Beneficiary DOB

2. FINANCIAL DEPENDENCY - SEPARATE PATHWAY

s 302-195(1)(d)

Immediately before death, was the beneficiary financially dependent on the deceased?

○ Yes ○ No ○ Uncertain

Evidence of financial dependency (tick all applicable):

- ☐ Regular bank transfers
- ☐ Rent / mortgage paid
- ☐ Groceries / household expenses
- ☐ Medical expenses
- ☐ Transport costs
- ☐ Insurance / recurring expenses

Other financial support

Describe the nature, amount and frequency of the financial dependency:

3. INTERDEPENDENCY TEST - TEST 1

Close personal relationship

Was the relationship substantially beyond the ordinary relationship between a parent and adult child?

○ Yes ○ No ○ Uncertain

Indicators:

- ☐ Long-term mutual commitment
- ☐ Significant emotional support
- ☐ Shared life and household
- ☐ Intended to continue indefinitely
- ☐ Not merely one of convenience
- ☐ Significant reliance upon one another

Details / evidence:

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4. INTERDEPENDENCY TEST - TEST 2

Living together

Did the deceased and beneficiary live together immediately before death?

◯ Yes ◯ No ◯ Temporarily apart

Date cohabitation commenced

Shared residential address

Was the arrangement intended to be permanent or ongoing?

◯ Yes ◯ No ◯ Uncertain

Supporting address evidence:

- ☐ Driver licence
- ☐ Electoral roll
- ☐ Utility bills
- ☐ Bank correspondence
- ☐ Government correspondence
- ☐ Lease / property records
- ☐ Statutory declaration
- ☐ Other evidence

Comments / explanation:

5. INTERDEPENDENCY TEST - TEST 3

Financial support

Did either person provide financial support to the other?

◯ Yes ◯ No ◯ Uncertain

Direction of support:

- ☐ Deceased to beneficiary
- ☐ Beneficiary to deceased
- ☐ Both

Nature of support:

- ☐ Housing
- ☐ Groceries
- ☐ Utilities
- ☐ Medical expenses
- ☐ Transport
- ☐ Insurance
- ☐ Personal expenses
- ☐ Other

Approximate amount / frequency

Supporting evidence / comments:

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6. INTERDEPENDENCY TEST - TEST 4

Domestic support and personal care

Was domestic support and personal care provided?

◯ Yes ◯ No ◯ Uncertain

Services provided:

- ☐ Cooking
- ☐ Cleaning
- ☐ Laundry
- ☐ Shopping
- ☐ Transport
- ☐ Medication assistance
- ☐ Medical appointments
- ☐ Mobility assistance
- ☐ Personal hygiene assistance
- ☐ Emotional support during illness/distress

Frequency:

◯ Daily ◯ Several times/week ◯ Weekly ◯ Occasionally

Describe the care, its duration and significance:

7. ADDITIONAL INDICATORS

Duration of the living / support relationship

Did they share household property or expenses?

◯ Yes ◯ No

Strength of evidence of mutual commitment to a shared life:

◯ Strong ◯ Some ◯ Little / none

Principal reason for living together:

- ☐ Long-term shared household
- ☐ Mutual financial support
- ☐ Mutual personal support
- ☐ Care following illness/injury
- ☐ Temporary accommodation
- ☐ Financial convenience

Did the adult child maintain another residence immediately before death?

◯ Yes ◯ No

Was there evidence the adult child intended to move out if circumstances changed?

◯ Yes ◯ No ◯ Uncertain

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8. SUPPORTING DOCUMENTATION HELD ON FILE

- ☐ Beneficiary statutory declaration
- ☐ Independent witness statutory declaration
- ☐ Medical records / practitioner letter
- ☐ Bank statements
- ☐ Household bills
- ☐ Government correspondence
- ☐ Driver licence / address evidence
- ☐ Will
- ☐ Enduring Power of Attorney
- ☐ Centrelink records
- ☐ Carer documentation
- ☐ Other relevant evidence

9. ASSESSMENT

Financial dependency pathway:

◯ Satisfied ◯ Not satisfied ◯ Further advice required

Interdependency requirement	Assessment		
Close personal relationship	◯ Satisfied	◯ Not satisfied	◯ Uncertain
Living together	◯ Satisfied	◯ Not satisfied	◯ Uncertain
Financial support	◯ Satisfied	◯ Not satisfied	◯ Uncertain
Domestic support / personal care	◯ Satisfied	◯ Not satisfied	◯ Uncertain

10. OVERALL RISK RATING

- ☐ LOW RISK - strong evidence supports dependant status
- ☐ MEDIUM RISK - reasonable basis, but further evidence / judgement required
- ☐ HIGH RISK - facts may resemble ordinary family relationship or temporary caregiving
- ☐ PRIVATE RULING RECOMMENDED

11. FILE CONCLUSION

- ☐ Qualifies as a death benefits dependant - financial dependency pathway
- ☐ Qualifies as a death benefits dependant - interdependency relationship pathway
- ☐ Does not appear to qualify as a death benefits dependant
- ☐ Insufficient information - further tax advice / ATO private ruling should be obtained

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12. REVIEW AND SIGN-OFF

Prepared by

Date

Position

Reviewed by

Review date

13. REVIEWER NOTES

IMPORTANT

This assessment is a working paper only. Whether an adult child is a death benefits dependant depends on the particular facts and circumstances immediately before death. Where the position is uncertain or the tax consequences are material, obtain specific tax advice and consider an ATO private ruling. The close personal relationship requirement should be considered separately from the existence of caregiving, cohabitation or ordinary family affection.

Reviewer focus - adult child cases

Before accepting interdependency, confirm there is evidence of an enduring, mutually committed shared life beyond an ordinary parent/adult-child relationship. Living together and providing substantial care may not, by themselves, establish the close personal relationship limb.