Challenger Tech

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What are Challenger's Probate requirements when paying a death benefit lump sum?

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The executor or an administrator (if the deceased did not have a Will) of a deceased estate is responsible for collecting the deceased's assets, paying any debts and then distributing the assets to the beneficiaries. A Grant of Probate is a legal document, issued by the Supreme Court in the relevant State or Territory, authorising an executor(s) or an administrator(s) to manage the deceased estate.

Entities holding money or certain assets may require Probate to be provided to them prior to releasing the funds to the executor or administrator. Financial institutions and other organisations such as aged care facilities have differing thresholds when they might need Probate. For example, looking at the major banks, Probate is required if balance exceeds either $50,000 or $100,000.

Applying for Probate often involves a Court filing fee which in most jurisdictions is dependent on the size of the estate on a sliding scale basis and legal fees where a legal practitioner is engaged to apply for Probate. If Probate is required, it can also delay the estate administration leading to a longer time before beneficiaries receive the death benefit.

In regard to Challenger's products, Probate is not required if:

- a beneficiary other than the estate / legal personal representative is nominated or receives the death benefit of any amount, or
- the estate is nominated or receives the death benefit AND if the amount is less than $500,000

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The table below provides a summary of when Probate may be required depending on different situations:

Situation	Is probate required?
Death benefit paid to individuals	No
Death benefit paid to estate AND death benefit is less than $500,000	No
Death benefit paid to estate and death benefit is $500,000 or more	Yes
Multiple policies, which individually are less than $500,000 but when combined total $500,000 or more	Yes

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