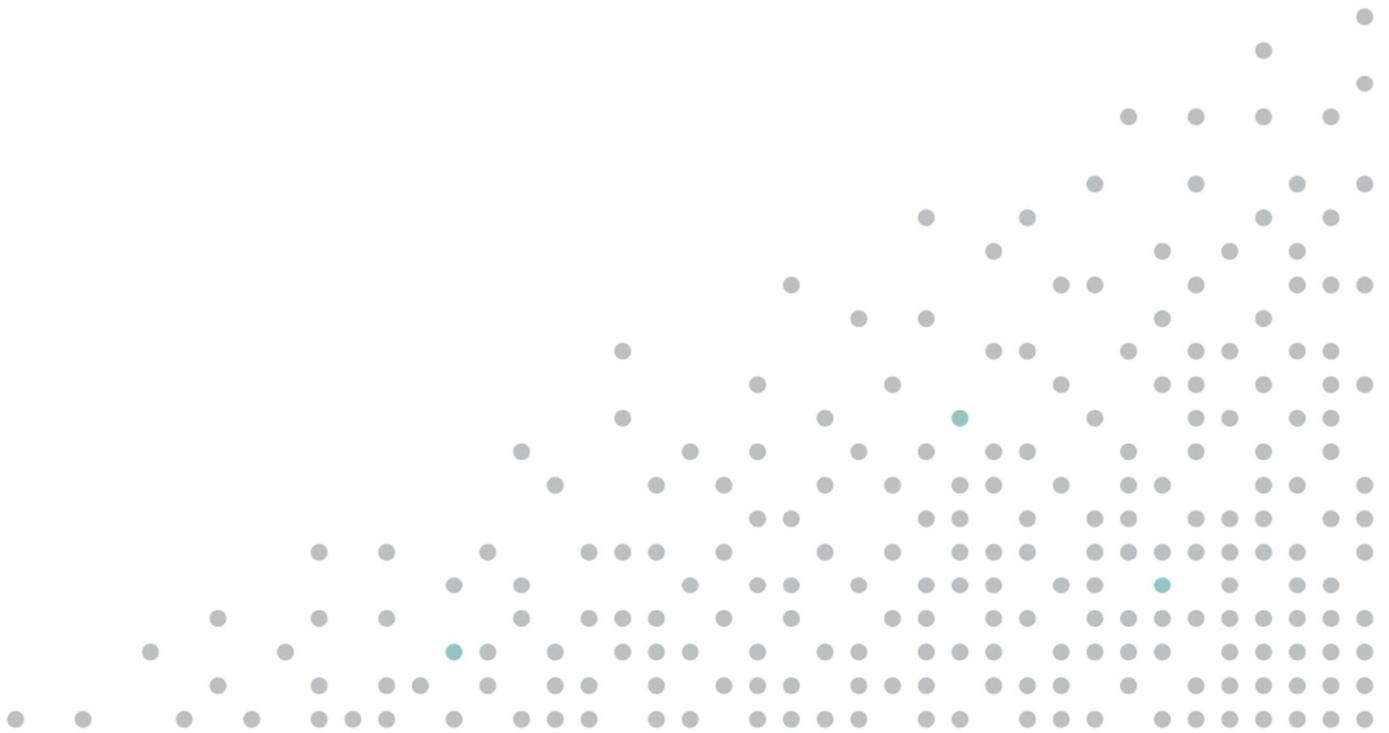




Australian Government
Department of Finance



Payment of an amount owed to a person at time of death

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The words '**must**', '**required**', '**requires**' and '**requiring**' denote mandatory compliance by accountable authorities/officials. The use of the words 'could', 'may', 'encouraged' or 'consider' convey non-mandatory guidance. The guidance to which these words relate may or may not be applied by accountable authorities/officials in their approach to resource management, depending on the operating circumstances of the entity and its appetite for risk.

Audience

This guide is relevant to officials in all non-corporate Commonwealth entities (NCEs) who are required to make a payment of an amount owed by the Commonwealth to a person at the time of their death.

Making a payment of an amount owed to a person at time of death

1. Section 25 of the PGPA Rule provides a discretionary power for the Finance Minister to authorise the payment of an amount if, at the time of a person's death, the Commonwealth owed that amount to the person.
2. The Finance Minister has delegated this power to accountable authorities of NCEs. The Finance Minister (or delegate) has the discretion to:
 - decide who receives an amount payable by the Commonwealth (e.g. a deceased person's spouse or family member to help them to satisfy a debt or other requirement) and
 - make the payment before probate or letters of administration are produced (which can be a lengthy and complex process).
3. The Finance Minister (or delegate) must take into consideration the people who are entitled to the payment under succession law (section 25(3) of the PGPA Rule). However, the Finance Minister (or delegate) is not bound to act in accordance with that law.
4. In practice, section 25 is expected to be used in limited circumstances, since many statutory payment schemes (such as superannuation Acts) include arrangements for payments owed to a deceased person. Section 25 of the PGPA Rule is meant for circumstances when a payment is owed to a deceased person and there is no other provision to make this payment to an appropriate recipient, such as a spouse or family member. Section 25 is concerned with the discharge of a debt on the part of the Commonwealth. It is therefore likely to be used mainly in circumstances involving the death of an employee with accrued salary and entitlements potentially payable to a spouse.
5. This rule was made under section 103(f) of the PGPA Act. Section 103 of the PGPA Act and section 25 of the PGPA Rule **do not** create an appropriation – payments **must** be made from existing appropriations.