



8. Insurance in your super additional guide

This statement was prepared on **1 January 2021**

The information in this document forms part of the Product Disclosure Statements of:

Super Saver Australian Services Union dated **1 July 2021**

The information in this additional guide ('Guide') is a summary only and forms part of the Product Disclosure Statements (PDSs) for Vision Super Saver and Super Saver Australian Services Union. This Guide is issued by the Trustee and is general information only and has been prepared without taking into account your personal objectives, financial situation or needs. You should consider whether this information is appropriate to your personal circumstances before acting on it and, if necessary, you should also seek professional financial advice. Where tax information is included you should consider obtaining personal taxation advice. This Guide is up to date at the time it was prepared. Information in this Guide is subject to change from time to time. If a change does not adversely affect you, we may update the information by notice on our website www.visionsuper.com.au and/or inclusion in the next newsletter. You can also call our Contact Centre on 1300 300 820. A paper copy of the updated information will be given to you without charge on request.

Vision Super Pty Ltd ABN 50 082 924 561 AFSL No. 225054, RSE Licence L0000239 ('the Trustee' or 'we' or 'us') is the Trustee of the Local Authorities Superannuation Fund ('Vision Super' or 'the Fund') ABN 24 496 637 884. The final authority on any issue relating to the Fund is the Trust Deed governing the Fund, the relevant provisions of the Commonwealth legislation and the relevant insurance policy (if applicable).

As a member of the Super Saver ASU plan, subject to meeting all the eligibility criteria included in our insurance policy, you automatically receive Death and Total and Permanent Disablement (TPD) insurance cover as well as Income Protection (IP) cover. IP includes partial disablement cover. There are costs associated with the insurance cover which you are responsible for (by way of deductions from your account if you have insurance cover). Cover applies 24 hours a day, 7 days a week, whether or not your injury or illness is work related subject to terms and conditions of the insurance cover.

Vision Super is a participant in the Insurance in Superannuation Voluntary Code of Practice. We are doing this because we believe it will help our members to better understand and make more informed choices about their insurance cover. You can read about its requirements and our insurance beliefs at www.visionsuper.com.au/insure/code-of-practice.

The insurance cover offered through Vision Super is provided by MLC Life Insurance (the trading name of the MLC Limited ABN 90 000 000 402) (the 'Insurer'). MLC Limited uses the MLC brand under licence. MLC Limited is part of the Nippon Life Insurance Group and not a part of the NAB Group of Companies.

Insurance cover

The Super Saver ASU insurance arrangements for eligible members provide:

- a. Death and Total and Permanent Disablement (TPD) cover, and
- b. Income Protection cover.

Tax rebate provided to you

The benefit of any tax deduction available to the Fund for insurance costs deducted from your account is rebated to your account. This refund is currently 15% of the insurance premiums deducted from your account.

Death and Total and Permanent Disablement

Default Death and Total and Permanent Disablement

Death and Total and Permanent Disablement cover is automatically provided to eligible members on the Super Saver ASU plan when they meet the eligibility criteria. In relation to an insured member under the Policy, TPD means the permanent inability of the insured member due to a continuing or recurring injury, disease or infirmity to be able to engage in any occupation or in any occupation for which he or she would be suited as a result of retraining, on the basis of medical and/or other evidence satisfactory to the Insurer and the Trustee.

Eligibility

Death and Total and Permanent Disablement cover will generally commence once you meet the eligibility criteria in the Super Saver ASU plan, provided that you:

- a. Are an employee of the Australian Services Union (ASU)
- b. Are a member of the Super Saver ASU plan
- c. Are aged 25 years or more and your Vision Super account balance is \$6,000 or more
- d. Are aged less than 65 years of age
- e. Satisfy such other criteria as determined by the terms and conditions of the Trustee and/or the Insurer from time to time
- f. Are not a Member of the Armed Forces (whether voluntary or not), other than the Australian Army Reserve (during scheduled Army Reserve exercises, but not if called up for active service).

Alternatively, you can make an election to receive default cover if you are aged under 25 years or aged over 25 with an account balance of less than \$6,000.

Default Cover – Opt In

Default death, TPD and income protection insurance will be provided on an opt in basis to new eligible Super Saver ASU members who are:

- > Aged under 25 years (irrespective of account balance), or
- > Aged 25 or over with an account balance of less \$6,000.

Default cover is subject to meeting all eligibility criteria.

If you:

- > obtain cover within 90 days of joining the fund and is in active employment with the employer on the date cover starts, you will receive full cover under this policy. Otherwise, you will receive limited cover under this policy until such time that you have been in active employment for at least 2 consecutive months; and
- > obtain cover outside 90 days of joining the fund, you will receive limited cover. This limited cover restriction will be removed after 2 years if you have been in active employment for at least 2 consecutive months (to avoid doubt, the entire 2 consecutive months of active employment must take place after the end of the relevant 2 year period).

Default Cover – Opt Out

Default death, TPD and income protection insurance will be provided on an opt out basis to new eligible Super Saver ASU members once you are 25 years or older and your account balance reaches \$6,000 or more.

Default cover is subject to meeting all eligibility criteria.

Duty of Disclosure

We have a legal obligation to inform the insurer of any matter that we know, or could reasonably be expected to know, that could affect the insurer's decision to provide insurance to our members. To allow us to comply with this duty to our insurer, we require you to tell us and the insurer anything you know, or could reasonably know, that may affect the insurer's decision to insure you.

If you do not tell us or the insurer anything you know, or could reasonably be expected to know, and the insurer would not have entered into the insurance contract with us if you had told us, the insurer may avoid or vary the contract. The insurer may also refuse to pay a claim if the failure to tell us or the insurer is fraudulent.

Cost of your cover

The cost of the death and Total and Permanent Disablement cover under the Super Saver ASU plan is 1.05% of your annual salary which is deducted from your account quarterly. This cover only applies for insurance cover you hold up to the date you cease employment with ASU.

Please note that the cost of cover in the Super Saver ASU plan is subject to change.

Here to help

Telephone 1300 300 820 (8:30am to 5:00pm)

Monday – Friday (not including Victorian public holidays)

Email memberservices@visionsuper.com.au

Visit www.visionsuper.com.au

Write PO Box 18041, Collins Street East, VIC 8003

ABN 50 082 924 561 AFSL 225054

RSE L0000239 USI 24496637884020

Benefits

On the death or Total and Permanent Disablement of a member of the Super Saver ASU plan, the following amounts are payable:

- a. The balance of the member's Super Saver ASU plan account, and
- b. If you are an insured member at the relevant time and meet applicable terms and conditions in the Policy, an insured benefit calculated in accordance with the following formula: final average salary x 21.5% x FS

Where:

'FS' means the period of Future Service, which is the number of years from the insured member's date of disablement, date of certification or date of death as applicable, to the date which is the 65th anniversary of the insured member's date of birth, multiplied by the insured member's service fraction as at the date of disablement, date of certification or date of death as applicable, with part years counting proportionally, and

'final average salary' means the average of the insured member's salary in the period of two years ending on the date on which the insured member ceases to be an employee of the employer provided that:

- a. If the insured member became an employee of the employer during those two years, the insured member's salary at the date of becoming an employee of the employer is, for the purposes of this definition, deemed to have been received by the insured member during the period between the start of the two years and the date of becoming an employee of the employer, and
- b. If the two year period includes a period of unpaid leave, the insured member's salary as at the commencement of that period of leave is, for the purposes of this definition, deemed to have been received by the insured member during that period of leave.

Maximum level of cover you can have

The maximum level of death and Total and Permanent Disablement insurance cover you can have at any point in time through Vision Super is:

- > Death cover – \$5 million
- > Total and Permanent Disablement cover – the lesser of \$2.5 million, and the member's level of death cover.

Please note that the Insurer's automatic acceptance limit for the Super Saver ASU plan under the Policy is \$1,000,000. This means that the level of cover that can be provided automatically on the basis of the formula shown above is limited to a maximum of \$1,000,000.

Changing or cancelling your cover

You cannot apply to increase or decrease your level of Death and Total and Permanent Disablement cover, as your level of Death and Total and Permanent Disablement cover is based on your salary.

However, please note, that the Death and Total and Permanent Disablement cover under the Super Saver ASU plan can be cancelled on or after reaching age 55 when you may choose to opt out of your death and TPD cover by sending a written request to PO Box 18041, Collins Street East, VIC, 8003, or by calling our Contact Centre on **1300 300 820**.

Once your employment with the ASU has terminated and your insurance is transferred to a Vision Super account, you may cancel or reduce your cover at any time.

A request to cancel your death and TPD cover will be effective from the date we receive the request, or the date you nominate in your request, which ever is later. You cannot cancel Death cover only or TPD cover only.

When does cover cease?

Your death and Total and Permanent Disablement cover under the Super Saver ASU plan will cease on the earliest of the following:

- a. On the date a terminal illness benefit is admitted or paid to you under the Policy
- b. On the date a Total and Permanent Disablement benefit is admitted or paid to you under the Policy
- c. When you reach age 65
- d. When you are no longer a member of the Super Saver ASU plan
- e. When you cease to be permanently employed with the ASU
- f. When you die
- g. If you join any armed forces of any country other than the Australian Army Reserve (during scheduled Army Reserve exercises, but not if called up for active service)
- h. When the Policy with the Insurer is terminated or cancelled for whatever reason
- i. If there are insufficient funds to pay your premiums (ie the cost of the insurance cover)
- j. If you elect to opt out after reaching age 55, or
- k. You are an inactive member and we do not receive notification from you electing to keep your insurance cover prior to you becoming one

Note: If you elect to keep your insurance despite being an Inactive Member, your insurance cover can still cease for other reasons. Your election will not override the other circumstances in which cover can cease. For more details for when cover ceases, please see above.

While death and TPD cover within the Super Saver ASU plan may cease on you being permanently employed with ASU, you should note that you will retain any Death and TPD cover you have as at the date you leave the employment of the ASU, within another division of the Fund if you remain a member of the Fund. This cover is retained in the Fund's Super Saver Division but only if you remain a member of the Fund after cessation of employment with ASU and provided cover has not ceased for some other reason.

The level and type of cover that you had on your last day of employment with the ASU is transferred across as fixed cover. This means that the amount of insurance cover calculated in accordance with the formula for calculating death and TPD insured benefits under the Super Saver ASU plan will be converted to a fixed dollar amount (calculated as at the date of cessation of employment).

You will be responsible for paying, by way of deduction from your Super Saver account, the total cost of this cover based on the premium rates for fixed cover shown in the Super Saver PDS and Insurance Guide, based on your age and occupational grouping. The fixed cover will be subject to the terms and conditions applicable to fixed cover in the Super Saver Division. Refer to the table of premium rates for fixed cover at the end of this Guide.

Events permanently excluded from cover

Where applicable, an insured benefit will not be payable in any of the following circumstances:

- a. If your death or Total and Permanent Disablement is directly or indirectly caused by an act of war. However, this condition will not disentitle you to a benefit should you die on war service;
- b. If your death or Total and Permanent Disablement is directly or indirectly caused by, or attributed to, suicide or attempted suicide within the first twelve months of issue or reinstatement of cover.

Terminal Illness benefit

A terminal illness benefit may be payable to you if you are diagnosed with a terminal illness, and you have the relevant insurance cover under the Super Saver ASU plan at the time of the diagnosis. The amount of the benefit will be the amount of death cover as at the date that two medical practitioners (where at least one of those medical practitioners specialises in your illness) certify in writing that the illness or injury will lead to your death within 12 months after the date of this certification.

The insured amount payable on Terminal illness is equivalent to the lesser of \$2.5 million, or your level of death cover and cannot exceed \$2.5 million.

Making a claim

Death cover provides a lump sum insured benefit payable to your beneficiary/ies (as determined by the Trustee) in the event of your death. If you have Total and Permanent Disablement cover, a lump sum insured benefit will be paid to you in the event that you become Totally and Permanently Disabled.

Assessment of an insurance claim by the Insurer may take some time so it is important that you lodge a claim as soon as possible after you become aware of any claim or potential claim. We will then send you the appropriate paperwork to complete.

Your account balance in the Super Saver ASU plan will also be payable to you or your beneficiaries (as applicable) if the Trustee approves.

Total and Permanent Disablement

You will be required to provide, at your expense, reasonable evidence to support your TPD claim. The Insurer may require you to undergo medical examinations that are considered necessary to determine your eligibility for payment of a benefit.

Claim forms can be obtained by contacting our Contact Centre on 1300 300 820 or completing claim form details in a secure portal accessible via our website.

Death

In the event of your death, Vision Super must be notified as soon as possible. The appropriate paperwork will then be sent to your dependents or the executor of your Will for completion.

Main definitions as per the Policy for Death and TPD

Note: This is a summary of relevant definitions. Please refer to the Policy, available on request, for further details

Date of Disablement

Means a date which is the later of:

- a. The date of final termination of all employment or such later date as determined by the Trustee, and
- b. The date on which a medical practitioner examines the person and certifies in writing that the person suffers from the illness or injury that is the principal cause of the Total and Permanent Disablement for which a claim is made, and
- c. The date the person ceases all work.

However, if a person participates in a rehabilitation program and is incapable of returning to work within 12 months from the date the person commenced his or her absence from work, the date of disablement is the date that would have applied if the person had not participated in the rehabilitation program.

Eligible person

Means:

- a. A person who is an employee of ASU, or was a member of ASU Superannuation Fund on 30 June 2001;
- b. A person who is a member of the fund;
- c. The person is:
 - i. aged 25 or more and has an account balance with the fund of at least \$6,000, or
 - ii. aged 15 or more and has made a written election to opt-in for cover;
- d. Less than the cover expiry age;
- e. Is not a member of, and has not commenced duty with, the armed services of any country (whether voluntary or not), other than the Australian Army Reserve (during scheduled Army Reserve exercises, but not if called up for active service); and
- f. Where the person satisfies such other criteria as both you and we stipulate from time to time.

Inactive member

Means an insured member whose account has not received an amount for a continuous period of 16 months.

Occupation

Means an occupation that the person can perform on a full time or part time basis based on the skills and knowledge the person has acquired through education, training or experience.

Terminal Illness

A terminal illness exists in relation to a person at a particular time under the policy if the following circumstances exist:

- a. Two medical practitioners have certified in writing, jointly or separately, that the person suffers from an illness, or has incurred an injury, that is likely to result in the death of the person within a period (the "certification period") that ends not more than 12 months after the date of the certification
- b. At least one of the medical practitioners is a specialist practising in an area related to the illness or injury suffered by the person
- c. For each of the certificates, the certification period has not ended; and
- d. The Insurer is satisfied, based on medical or other evidence that the illness or injury will, despite reasonable medical treatment, lead to the insured member's death within the certification period.

Total and Permanent Disablement

In relation to an insured member under the Policy means the permanent inability of the insured member due to a continuing or recurring injury, disease or infirmity to be able to engage in any occupation or in any occupation for which he or she would be suited as a result of retraining, on the basis of medical and/or other evidence satisfactory to the Insurer.

Income Protection cover

Default Income Protection cover

Income Protection cover is automatically provided to eligible members on the Super Saver ASU plan when they meet all the eligibility criteria.

Eligibility

Income Protection cover will generally commence for eligible Super Saver ASU plan members, provided that:

- a. You are employed by the ASU on a permanent basis and work at least 14 hours per week
- b. You are aged 25 or more and have an account balance with the fund of at least \$6,000 or you are aged 15 or more and have made a written opt-in for cover
- c. You have not yet reached 65 years of age
- d. Your employer is paying superannuation contributions on your behalf to a regulated superannuation plan which complies with relevant superannuation and taxation laws or is accruing a liability to pay superannuation contributions on your behalf and subsequently pays those superannuation contributions to such a superannuation plan
- e. You are not a Member of the Armed Forces (whether voluntary or not), other than the Australian Army Reserve (during scheduled Army Reserve exercises, but not if called up for active service), and
- f. You satisfy such other criteria as determined by the Trustee and/or the Insurer from time to time.

Waiting period

Before receiving any Income Protection benefits you need to have waited for a continuous period of 90 days from the day in which a medical practitioner has examined you and certified that you are totally or partially disabled (the "Waiting Period"). You may return to work during the Waiting Period. However, this will affect the commencement of your benefit.

Cost of cover

The cost of Income Protection cover is 2.01% of your annual income, which is deducted from your account quarterly. Please note the cost of cover in the Super Saver ASU plan is subject to change.

Changing or cancelling your cover

You cannot apply to increase or decrease your level of Income Protection cover, as your level of Income Protection cover is based on your annual income. You cannot cancel your IP cover when you are a member of the ASU Super Saver plan, except on or after reaching age 55 years.

Benefits

Where an Income Protection benefit is approved you will be paid a monthly benefit of up to 75% of your pre-disability income as at the date of disablement, and up to 10% of your pre-disability income is payable to your Super Saver ASU plan as a superannuation contribution.

The benefit is payable for up to 5 years (the benefit payment period) and is subject to other circumstances in which payments may cease.

Maximum level of cover you can have

The maximum level of Income Protection cover you can have at any point in time through Vision Super is the lower amount of:

- > 85% of your annual income (including up to 10% of your income being paid to your Super Saver ASU account as a superannuation contribution), or

- > \$20,000 per month.

However, please note that the Insurer's automatic acceptance limit under the Income Protection policy (the "IP Policy") is \$9,000 per month. This means your Income Protection cover cannot exceed \$9,000 per month, without the insurer requiring medical or other evidence and giving you a written acceptance of that cover.

Parental leave and leave without pay

Your cover will continue while you are on employer approved parental leave or leave without pay ("on leave"), provided that you were employed by the ASU on a permanent basis and were working at least 14 hours per week immediately before you went on leave, and your premiums under the IP Policy continue to be paid.

Should you make a claim, your income will be based on the income that you were earning immediately before you went on leave. Also, if you make a claim whilst on leave, benefit entitlements will not accrue and payments will not commence until the end of your Waiting Period or your return to work date, whichever is the later.

When does cover cease?

Your Income Protection cover under the Super Saver ASU plan will cease:

- a. When you are no longer an employee of the ASU on a permanent basis and work at least 14 hours per week
- b. When you die
- c. The date you have insufficient funds to pay your premiums (ie the cost of your insurance cover)
- d. When you reach 65 years of age
- e. When you join any armed forces of any country (whether voluntary or not), other than the Australian Army Reserve
- f. The date the IP Policy is terminated or cancelled for whatever reason
- g. You are an inactive member and we do not receive notification from you electing to keep your insurance cover prior to you becoming one.

Note: If you elect to keep your insurance despite being an Inactive Member, your insurance cover can still cease for other reasons. Your election will not override the other circumstances in which cover can cease. For more details for when cover ceases, please see above.

For more information, please read the Super Saver PDS available at www.visionsuper.com.au/resources/forms-and-publications. In the event of a claim any ASU top-up paid in the first six months of receiving IP will not reduce your insurance benefit.

Events excluded from cover

A benefit will not be payable if an illness, injury or medical condition is directly or indirectly caused by:

- > Intentional self-inflicted injury or attempt at suicide (whether or not the person is sane at the time),
- > The insured member's service in the armed forces of any country other than service in the Australian Armed Forces Reserve,
- > Normal pregnancy or childbirth, or
- > War.

Further, a benefit under the IP Policy will not be paid if the payment would cause the Insurer to infringe the Health Insurance Act 1973 (Cth), the National Health Act 1953 (Cth) or the Private Health Insurance Act 1997 (Cth), or any succeeding legislation in connection with health insurance.

Benefits are payable for no more than one disability at a time.

Can a taxation deduction be claimed for the premiums?

Because the Income Protection insurance premiums are paid out of your superannuation account you cannot claim a tax deduction for these premiums.

What taxation is payable on the benefit?

IP benefits are treated as taxable income and attracts Pay As You Go (PAYG) tax, the same as salary and wages. PAYG tax will be deducted from the benefit before it is paid to you.

The benefit will be paid to you directly by the Insurer. You will be asked to provide your Tax File Number to the Insurer before any benefit is paid. If you do not provide the Insurer with your Tax File Number, the Insurer will be required to deduct tax from your benefit at the maximum tax rate applicable at that time.

The portion of any benefit paid as a superannuation contribution will be paid to your Super Saver ASU account and taxed as if it were an employer contribution.

Note: these statements are based on interpretation of current Australian tax law, which may change from time to time. You should consult a taxation adviser for advice on your personal circumstances.

Making a claim

It is important that you advise Vision Super as soon as possible after you become aware of any claim or potential claim.

You must satisfy the Waiting Period to qualify for an Income Protection benefit. If you return to work at full capacity during the Waiting Period, the Waiting Period will start again unless you return to work once and it is for no more than 5 consecutive days. If this happens, the number of days worked is added to the Waiting Period.

Your waiting period starts on the date that a medical practitioner examines you and certifies that, due to your illness or injury, you are totally or partially disabled – please refer to the definitions of total disability and partial disability later in this guide.

You must be totally disabled for at least 7 out of the first 12 consecutive days of the waiting period to qualify for a disability benefit. If you return to work at full capacity during the waiting period, the waiting period will start again unless your return to work happens once and it is for no more than five working days in a row. If this happens, the number of days worked is added to your waiting period.

If you get better and go back to work and your benefit payments stop but you become disabled again from the same (or a related) sickness or injury within six months of the date for which your disability benefit was last paid, your disability will be treated as a continuation of your original claim. This means you will not have to wait for your usual waiting period of 90 days - your benefit payments will start again as soon as your claim is approved and will continue, generally until you have once again recovered or you have reached the end of your benefit payment period, unless an event listed in the 'How long will my benefits be paid?' section of this Guide (over page) occurs.

You will also need to satisfy the definition of total disability or partial disability to be eligible for an Income Protection benefit. If approved, the benefit is paid monthly in arrears. If you are only totally or partially disabled for part of a month, the benefit will be paid proportionately.

Please note that no benefit is payable for the Waiting Period. Please contact Member Services for more information.

Total disability - benefit offsets

If you are deemed to be totally disabled, the maximum monthly benefit that you can receive will be reduced (offset) by any income, or commutation of income, which is paid or payable from other sources such as:

- > Sick leave payments
- > Any amounts payable under legislation such as workers' compensation or motor accident compensation legislation
- > Any monies paid in respect of any claim for future economic loss under a personal injury claim
- > Benefits payable under other income protection policies, and
- > Any income which the Insurer believes you could reasonably be expected to earn in your occupation while you are totally or partially disabled
- > Disability Support Pension payments or other social security benefits.

However, in the event of a claim, the Insurer has agreed that for the first six months that an insured member is in receipt of IP benefits for any insurance claim accepted on or after 1 July 2018, the Insurer will not reduce the amount of IP benefits paid by the amount of any discretionary 'top up' payments that you may receive from your employer (ASU). At the end of the six months, if you remain entitled to IP benefits and receive top-up payments from your employer, the top-up payments will result in a reduction in the amount of your IP benefits.

Partial disability

If after suffering a period of total disablement you become partially disabled, your monthly benefit will be reduced by the amount determined under the following formula:

$$\frac{\text{Monthly income}}{\text{Pre-disability income}} \times \text{monthly benefit}$$

Here is an illustration: you are injured, become totally disabled, and have a pre-disability income of \$4,000 per month. After serving your Waiting Period you start to receive a monthly benefit of \$3,400 per month from the Fund – ie 75% of your pre-disability income being paid into your bank account, and 10% of your pre-disability income being paid to your Super Saver ASU plan as a superannuation contribution.

After a while you return to work in a partial capacity earning an income of \$2,500 per month (your current income).

Assuming that there are no benefit offsets, **your monthly benefit would be reduced by the following amount:**

$$\frac{\$2,500}{\$4,000} \times \$3,400 = \$2,125$$

Your partial disability benefit will therefore be \$1,275 per month (i.e. \$3,400 – \$2,125).

Additional rehabilitation expenses benefit

The Insurer will pay the cost of rehabilitation expenses to assist your return to work, provided that:

- > The expenses are approved in writing by the Insurer before they are incurred; and
- > The expenses are incurred to directly assist your return to work in a gainful occupation, or to undertake a vocational retraining program because of your total or partial disability.

Generally, these expenses will include the cost of a rehabilitation program (other than an excluded rehabilitation program) which a medical practitioner certifies is necessary for your rehabilitation.

The maximum amount payable as an additional rehabilitation expense benefit in respect of any one (total or partial) disability, is the lesser of:

- > The expenses
- > 24 times the total of your monthly benefit, and
- > \$120,000

less any amounts that can be claimed from any other source for those expenses. This amount will be paid directly to the provider of the service, and is in addition to the Income Protection benefit.

The Insurer may also pay expenses associated with modifying your workplace if you are in receipt of income protection benefits, to further assist with your return to work, up to a maximum of 2.5 times your monthly benefit. The maximum amount payable for rehabilitation and workplace modification expenses (combined) is subject to an overall cap of \$120,000 described above. As approved by the Insurer as a part of this rehabilitation expenses benefit.

How long will my benefits be paid?

Income Protection benefits are payable from the end of the Waiting Period until the earlier of the following:

- a. You are no longer totally/partially disabled
- b. After the expiry of the 5 year benefit period
- c. The date you attain age 65, or
- d. You die.

Main definitions as per the IP Policy

Excluded Rehabilitation Program

Any program providing 'hospital treatment' or 'general treatment' within the meaning of the Private Health Insurance Act 2007 (Cth) or any other program which might cause the IP Policy to cease to be exempt from any legislation in connection with health insurance, including the Private Health Insurance Act 2007 (Cth).

Gainfully employed

Means employed or self-employed for gain or reward in any business, trade, profession, vocation, calling, occupation or employment including an insured member who has ceased temporarily to receive any gain or reward under a continuing arrangement for the insured member to be gainfully employed.

Inactive member

Means an insured member whose account has not received an amount for a continuous period of 16 months.

Income

Means the annual salary earned by the insured member from employment on a permanent basis with the employer. If the insured member is on employer approved parental leave or leave without pay, the insured member's income shall be determined by reference to the annual salary earned by the insured member from employment on a permanent basis with the employer immediately prior to going on leave or the amount the Insurer last agreed in writing to apply to the insured member.

Salary includes:

- a. Any packaged elements not received directly by the insured member as taxable earnings;
- b. Bonuses, overtime and shift allowances for any one or more of the three years immediately preceding the insured member's disability, which will:
 - i. Be averaged over the lesser of:
 - > Three years; or
 - > The number of complete years for which the insured member has been employed by the employer when he or she becomes disabled
 - ii. Where the insured member has been employed by the employer for less than one complete year when he or she becomes disabled, be included on a pro-rata basis based on the number of months out of 12 for which the insured member has been employed by the employer, and
 - iii. Only be included in salary to the extent that the average amount calculated in accordance with paragraph (i) or the pro-rata amount calculated in accordance with paragraph (ii), as applicable, does not exceed 20% of the amount which would be calculated as the insured member's income if bonuses, overtime and shift allowances were excluded from salary

but excludes any director's fees, compulsory employer superannuation entitlements, commission, investment income and profit distribution.

Monthly Income

Means, in respect of an insured member who suffers partial disability the earnings from employment received by that insured member during that month which was payable in respect of that month, or which, though not actually received during that month, we reasonably apportion to them for the month in respect of which we are paying a partial disability benefit, and any earnings from employment which, in our opinion, the insured member could reasonably be expected to earn in his or her regular occupation while disabled during that month.

Own occupation

Where a person is employed means the normal occupation or work carried out by the insured member before becoming disabled.

Where a person is unemployed means any occupation reasonably suited by education training and experience.

Partial disability

A person is partially disabled if he or she is not totally disabled but, because of illness or injury, he or she:

- a. Has been totally disabled for at least 7 days out of the first 12 consecutive days of the Waiting Period
- b. Is unable to work in his or her own occupation at full capacity immediately after he or she became totally disabled because of the illness or injury that caused his or her total disability
- c. Is working or capable of working in his or her own occupation in a reduced capacity or working in another occupation, or where not employed is capable of working in an occupation reasonably suited by education, training and experience
- d. Earns or is capable of earning a monthly income that is less than his or her pre-disability income
- e. Is under the regular care of, and following the advice of, a medical practitioner, and
- f. Is participating and continues to participate in an approved rehabilitation program or retraining program.

Pre-disability income

- a. The monthly value of the income earned by the insured member, immediately before becoming disabled, or
- b. If the insured member is on employer approved parental leave or leave without pay when first disabled, the insured member's pre-disability income shall be determined by reference to the monthly income earned by the insured member from the employer immediately prior to going on leave or the amount the Insurer last agreed in writing to apply to the insured member.

Total disability

A person is totally disabled if, because of illness or injury, he or she has ceased to be gainfully employed and is:

- a. Unable to perform the **Regular Duties** of his or her own occupation,
- b. Where the person is not employed they are unable to perform any occupation reasonably suited by education, training and experience,
- c. Under the regular care of, and following the advice of, a medical practitioner,
- d. Participating and continues to participate in an **approved rehabilitation program** or retraining program, and
- e. Not working in any occupation, whether or not for reward.

Regular Duties are the duties that are normally required to perform your occupation

Approved rehabilitation program means an occupational or vocational rehabilitation program, device preapproved by our insurer and a medical practitioner that will assist your rehabilitation and your return to performing most of the duties of your regular occupation(s) but excluding any program providing hospital treatment or general treatment within the meaning of the Private Health Insurance Act 2007 (Cth) or any other program that might cause the policy to cease to be exempt from the National Health Act 1953 (Cth) or Health Insurance Act 1973 (Cth) or any similar legislation in connection with health insurance

Regular Occupation means any form of personal exertion for the purpose of payment or profit performed by the insured member on a regular and recurring basis. Where the expression regular occupation is used in connection with a specified period of time it means any such occupation performed by the insured member on a regular and recurring basis during that period. Where an insured member is unemployed it means any occupation reasonably suited by education training and experience.

Important information about your insurance cover

The Federal Government has made changes to insurance cover inside superannuation to protect Australians' super savings from unnecessary erosion by fees and insurance premiums. As a result of these changes, Vision Super is no longer able to provide default insurance cover to members aged under 25 years (irrespective of account balance) or members aged over 25 years with an account balance of less than \$6,000, unless the member makes an election to opt-in to receive insurance cover. The changes also mean that we can no longer provide insurance cover for members (this includes any insurance for death, total and permanent disablement and income protection) whose account has been 'inactive' for more than 16 consecutive months, unless the member makes an election to opt-in to receive insurance cover.

Will I lose my insurance cover as a result of these changes?

Your insurance cover with Vision Super will only be cancelled if:

- > You are an 'inactive member' and
- > We do not receive notification from you electing to keep your insurance cover.

You are an inactive member if the trustee does not receive any contributions for you or any amounts rolled over into your account from another super fund within a 16 month continuous period. If an amount, such as a contribution or rollover, is received into your account, your account will be active.

If you elect to keep your insurance notwithstanding 16 months of continuous inactivity, your insurance cover can still cease for other reasons. Your election will not override the other circumstances in which cover can cease under the terms of the policy, please see when does cover cease on page 3 and 5.

If your account is at risk of cancellation due to inactivity we will contact you prior to cancelling your insurance to provide options to keep your cover.

What can I do to keep my insurance?

You have two options – either add monies to your account or tell us you'd like to keep your insurance (or you can do both).

Make a contribution or rollover into your account

If you wish to do this to ensure you don't lose your cover, we will need to receive a contribution or rollover before your account becomes inactive for 16 consecutive months. It doesn't matter how much the contribution or rollover is, or who pays the contribution.

For information about contributions or rollovers visit the grow your super page at www.visionsuper.com.au/super/making-contributions, it has details on how to make contributions via BPAY, EFT or cheque. Or, you can refer to the How super works additional guide found on our publications page of the website.

Make an election to keep your insurance cover

If this is your preferred option, you can call our Contact Centre on **1300 300 820**, or to make an election online, please go to www.visionsuper.com.au/keepmyinsurance.

You are required to make a separate election to opt-in to receive cover before you meet the eligibility criteria and a separate election to maintain cover if your account becomes inactive.

What happens if I do nothing?

If we don't receive a contribution or rollover into your account or an election from you, your insurance cover with Vision Super will be cancelled unless cover ceases earlier for some other reason.

If your insurance cover is cancelled due to at least 16 continuous months inactivity and your inactive account balance is less than \$6,000 as at 31 October or 30 April each year, your account balance must be paid to the Australian Taxation Office (ATO) except in certain circumstances, for example, if you notify us that you do not want your account transferred to the ATO, you have made or amended a binding death benefit beneficiary nomination or have made an investment choice in the last 16 months. If your account balance is paid to the ATO, the ATO will try to reunite it with an active account elsewhere or you may claim the amount (if you have met certain conditions) or transfer it to a super fund you nominate.

If my insurance cover is cancelled can it be reinstated later?

After cancellation, you will not usually be able to have your cover reinstated unless you apply to the insurer for the insurance cover and meet the insurer's underwriting requirements which may include providing medical evidence. Any changes to your personal medical situation may make it difficult or impossible for you to obtain cover again. Different terms and conditions may apply to any subsequent cover provided to you by the insurer.

Reinstatement of cover will be subject to meeting the eligibility criteria again, including having an account balance of \$6,000 and receiving superannuation guarantee contributions from your employer.

Can I change my mind after electing to keep my cover?

Yes – If you tell us you want to keep your insurance, you can change your mind at a later date and cancel your cover at any time, please call our Contact Centre on **1300 300 820** for more details

What if I want to keep only some of my insurance?

You can elect to keep some, but not all of your insurance cover, subject to certain restrictions. For example, if you have Death and Total and Permanent Disablement (TPD) insurance cover, you can make an election to keep Death cover only, or you can elect to keep a reduced amount of Death and TPD cover. Please note that you cannot cancel death cover and keep only TPD cover.

You can alter your cover by going online to our secure member portal to complete an Insurance Application/Variation Form and a Personal Statement. Alternatively, please call our Contact Centre on **1300 300 820**, to obtain these forms, or download them from our website www.visionsuper.com.au/resources/forms-and-publications.

Important note

The insurance cover offered by Vision Super through the Super Saver ASU plan is provided under the Policy and the IP Policy (the "Policies") between the Trustee and the Insurer.

Your cover will continue while you are outside Australia subject to the terms and conditions of the Policies. However, you may be required to return to Australia at your own expense for assessment of a claim.

The maximum period in total for which Income Protection benefits may be payable by the Insurer for an insured member while the member is outside Australia is 12 months.

The Policies' insurance premiums are reviewed from time to time by the Trustee, and may be subject to change. However, should there be a change in the Policies' insurance premiums, you will be notified.

While every care has been taken in the preparation of this Guide, the Policy and the IP Policy between the Trustee and the Insurer will prevail in any dispute concerning the Policy and/or the IP Policy described in this Guide.

Please note that this Guide does not contain the complete terms and conditions of the Policies. The complete terms and conditions are contained in the Policies, which are available on request.

Interpreting services

If you need an interpreter, please call TIS National on 131 450 and ask them to call Vision Super on **1300 300 820**. Our business hours are 8.30am to 5pm EST Monday to Friday.

You can also visit the TIS National website for translated information about the service TIS National provides.

Visit: www.tisnational.gov.au

National relay service

Vision Super welcomes calls through the National Relay Service (NRS) if you are Deaf or have a hearing and/or speech impairment. Call the NRS on 1300 555 727 and provide our phone number (**1300 300 820**) when asked by the relay officer.