

# AustralianSuper Select for IBM employees

## About this employee booklet

The information in this employee booklet forms part of the Product Disclosure Statement for AustralianSuper Select, prepared on 3 September 2022.

It's specific to permanent and fixed-term employees of IBM Australia Limited (IBM) and its associated companies, as the contributing employers. Information about fees and costs paid as a member of AustralianSuper Select, including how and when they're paid, have been published in the *AustralianSuper Select Product Disclosure Statement*.

If you're an existing AustralianSuper member and not in AustralianSuper Select for IBM employees, please refer to the relevant Product Disclosure Statement for your plan.

If you're a casual employee or contractor you're not eligible to join AustralianSuper Select. Please speak to your employer to discuss your options.



## Types of insurance cover

AustralianSuper provides the following types of insurance cover\*:

Types of insurance cover	
<b>Death</b>	Can help ease financial stress by paying a lump sum to your beneficiaries if something happens to you.
<b>Total &amp; Permanent Disablement (TPD)</b>	Can provide a lump sum if you become totally and permanently disabled and can no longer work.
<b>Income Protection</b>	Can provide monthly payments to help you get by if you become ill or injured (at work or outside of work) and can't work temporarily.

If you have Death or TPD cover you're also covered for terminal illness. This can help ease some of the financial stress if you're suffering from a terminal medical condition.

## Your insurance cover

Your super account comes with basic insurance cover which is arranged by your employer (see the Basic cover section). This cover provides a basic level of protection if you die or become ill or injured.

The basic cover your employer pays for will start once you've received an employer super contribution from them, regardless of your super balance.

See the *Insurance in your super* guide for Select members at [australiansuper.com/ibm](https://australiansuper.com/ibm) for details and examples of when cover starts.

### Important information



There are many circumstances that may affect your insurance cover. See the *Insurance in your super* guide for Select members at [australiansuper.com/ibm](https://australiansuper.com/ibm) for more information about your AustralianSuper Select insurance. It details terms and conditions about insurance including your eligibility for cover, how much you can apply for, when it starts and stops, active employment, limited cover and exclusions, your insurance options, and what happens if you leave your Select employer.

Your eligibility to claim for benefits will be determined by the Insurer in line with our insurance policy terms and conditions.

\* AustralianSuper insurance is provided by TAL Life Limited (the Insurer) ABN 70 050 109 450, AFSL 237848.

## Cost of your cover

IBM pays the cost of your basic Death and TPD insurance cover in AustralianSuper Select. If you're a Category 3 insured member, IBM also pays the \$1.00 a week Flat administration fee for your super account (you'll still pay the Asset-based administration fee for your super account).

The fees and insurance costs paid by IBM are counted towards your before-tax (concessional) contribution cap each financial year. This may affect your ability to make, or the amount you are able to contribute as, additional before-tax contributions.

Insurance costs include stamp duty charges and costs incurred by the Trustee for administering insurance arrangements.

## Basic cover

Eligible permanent and fixed-term employees will receive a basic level of Death and TPD insurance cover with a Professional category work rating. See page 3 for the definition of a fixed-term employee and salary. Basic cover is salary-based and your employer informs us of your salary to calculate your cover (age limits apply).

Your basic Death and TPD cover amounts will change from month to month depending on your salary and your length of service to age 65.

The type of basic cover you're eligible for depends on your employment and insurance category as shown in the table below. The insurance category you're in is determined by your employer. If you're unsure which category you're in, please ask your employer.

Category	Basic Death and TPD cover design	Age basic cover ends†
1 <b>Permanent and fixed-term employees</b>	<ul style="list-style-type: none"> <li>• 15% x your salary x future service* to age 65 or \$1.7M (whichever is lower).</li> <li>• 18% x your salary x future service* to age 65 (for former Part 11A members only) or \$1.7M (whichever is lower).</li> <li>• 22% x your salary x future service* to age 65 (for former Part 11B members only) or \$1.7M (whichever is lower).</li> </ul>	Cover ends at age 65.
2 <b>Permanent employees who joined under a previous insurance arrangement (this category is closed)</b>	<ul style="list-style-type: none"> <li>• 15% x your salary x future service* to age 65 or \$1.7M (whichever is lower).</li> </ul> <p><b>Minimum guarantees may apply. This means your cover may be higher. See your super account statement or log into your account and go to <i>My insurance</i> for details.</b></p> <p><b>If you make a partial withdrawal, or choose for your employer to pay your super contributions into another fund, you'll lose your minimum guarantee benefit if it applies to your basic cover.</b></p>	Cover ends at age 65.
3 <b>Insurance only members – cover when your super is paid into another super fund</b>	<ul style="list-style-type: none"> <li>• 15% x your salary x future service* to age 65 or \$1.7M (whichever is lower).</li> </ul> <p>No minimum guarantee benefit applies. Your insured amount will be the basic cover as calculated above, even if it was a higher percentage before. Your employer will continue to pay the cost of your basic cover and your administration fee.</p>	Cover ends at age 65.

\* Future service is defined as the number of years and days until you turn 65, rounded up to the next whole day.

† Cover can stop for many reasons. For a list of events that may make cover stop, see the *Insurance in your super* guide for Select members at [australiansuper.com/ibm](http://australiansuper.com/ibm)

Income Protection is currently provided under a separate insurance policy maintained and paid for by your employer. Consider your insurance needs and speak to your employer before applying for Income Protection with AustralianSuper. The cost of Income Protection cover is available at [australiansuper.com/ibmIP](http://australiansuper.com/ibmIP)



## Definition of fixed-term employee

Fixed-term employee means an employee of the employer:

- whose contract of employment is binding for a stated contract period
- who is employed under standard terms and conditions, and
- is not a contractor (with a periodic or non-binding fixed-term contract).

## Definition of salary

### Non-commission employees of IBM Australia Limited

Your salary for insurance purposes is your annual salary as defined in the IBM trust deed. It does not include other cash bonuses.

### Commission employees of IBM Australia Limited

Your salary for insurance purposes is the highest of:

- the average of your base salary plus commission for the last three years
- your annual salary (not on a Sales Plan) as defined in the IBM trust deed, excluding other cash bonuses, or
- if you have been employed for less than three years, the average of your base salary plus commission for the completed years of service.

## When your basic cover changes in line with your salary

Your employer will tell us if there's a change to your salary. When your basic cover is salary-based, the amount and cost of it will increase or decrease automatically in line with your salary. It can increase up to the automatic limits shown in the table below without you having to provide additional health information:

Automatic limits	
Death cover	TPD cover
\$1.7M	\$1.7M

We'll write to you about your options if your basic cover has reached the automatic limit(s). To increase your basic cover in line with your salary above the automatic limits, you'll need to provide detailed health information for the Insurer to consider.

## Change your cover anytime

You can cancel, change or apply for insurance anytime by logging into your account or completing the *Change your insurance* form at [australiansuper.com/select](https://australiansuper.com/select)

The cost of any additional cover you apply for will be paid by you and deducted monthly from your super account.

As an IBM employee, you can't cancel your basic cover (which is paid for by IBM). Please speak to your employer. However, you can cancel any extra (fixed) cover you have applied for anytime.

For more information about changing or cancelling your cover, see the *AustralianSuper Select Product Disclosure Statement* at [australiansuper.com/select](https://australiansuper.com/select) and the *Insurance in your super* guide for Select members at [australiansuper.com/ibm](https://australiansuper.com/ibm)



## About work ratings

As a member of AustralianSuper Select, you have both an **individual** work rating and a **category** work rating. These work ratings are used to calculate the cost of your cover.

Your category work rating is unique to your Select employer and only applies while you're their employee.

If your category and individual work ratings are different, we'll apply the less expensive work rating to calculate the cost of your cover. This is your **applied** work rating.

Check your applied work rating by logging into your account. Apply to change your individual work rating by completing the *Change my individual work rating* form available at [australiansuper.com/select](https://australiansuper.com/select)

### Individual work rating

Your individual work rating is **Blue Collar** unless you're eligible to change to White Collar or Professional and your application is approved by the Insurer.

Insurance cover with a Blue Collar work rating is the most expensive.

### Category work rating

Your category work rating is **Professional** and applies only while you're an employee of IBM.

## What happens if you leave your Select employer

If you leave IBM your account will move from Select to AustralianSuper Plan if you're in Category 1 or 2. You'll keep the same amount of cover you already have when you move to AustralianSuper Plan and it will become fixed cover (if eligible). You'll pay the cost of your total cover which will be deducted monthly from your super account.

Your category work rating will no longer apply, and the cost of your cover will be based on your age, level of cover and your individual work rating. We'll write to you if this happens.

If you're in Category 3, you'll have the option to move from Select to Personal Plan and keep your cover. You'll pay the cost of your total cover and all the administration fees for your super account which will be deducted monthly from your super account. We'll write to you about your options.

## Changing your individual work rating

If you think you might be eligible for an individual work rating that's White Collar or Professional, you can apply to change it. If you're eligible, you could pay less for your cover:

- while you're in Select if the individual work rating that applies to you is the less expensive work rating than your category work rating, and
- if you leave IBM and keep your cover with AustralianSuper.

You can't change your category work rating because it's arranged by your employer.

To learn more, see the *Changing jobs? Take AustralianSuper with you* section in the *Insurance in your super* guide for Select members at [australiansuper.com/ibm](https://australiansuper.com/ibm)



To learn more about checking your eligibility and applying to change your individual work rating, see the *Insurance in your super* guide for Select members at [australiansuper.com/ibm](https://australiansuper.com/ibm)



## Insurance cover when you're on secondment overseas

When you're seconded to work overseas you can continue your insurance cover. Depending on how long you're overseas, your employer may stop paying for your basic cover. If this applies, we'll write to you.



## Weekly cost for \$10,000 of Death and TPD cover

The cost of basic Death and TPD cover for IBM employees in Select is based on age, gender and a Professional category work rating.

Professional work rating						
Age	Male			Female		
	Death (\$)	TPD (\$)	Death & TPD (\$)	Death (\$)	TPD (\$)	Death & TPD (\$)
15	0.061	0.038	0.099	0.040	0.038	0.078
16	0.058	0.038	0.096	0.039	0.038	0.077
17	0.058	0.038	0.096	0.039	0.038	0.077
18	0.058	0.038	0.096	0.039	0.038	0.077
19	0.061	0.038	0.099	0.040	0.038	0.078
20	0.061	0.038	0.099	0.040	0.038	0.078
21	0.061	0.039	0.100	0.04	0.039	0.079
22	0.062	0.039	0.101	0.041	0.039	0.080
23	0.063	0.039	0.102	0.042	0.039	0.081
24	0.064	0.039	0.103	0.043	0.039	0.082
25	0.066	0.039	0.105	0.044	0.039	0.083
26	0.067	0.040	0.107	0.045	0.040	0.085
27	0.068	0.040	0.108	0.045	0.040	0.085
28	0.071	0.041	0.112	0.047	0.041	0.088
29	0.074	0.042	0.116	0.050	0.042	0.092
30	0.077	0.043	0.120	0.051	0.043	0.094
31	0.079	0.046	0.125	0.053	0.046	0.099
32	0.082	0.048	0.130	0.055	0.048	0.103
33	0.087	0.053	0.140	0.058	0.053	0.111
34	0.09	0.059	0.149	0.060	0.059	0.119
35	0.094	0.066	0.160	0.063	0.066	0.129
36	0.100	0.073	0.173	0.067	0.073	0.140
37	0.105	0.081	0.186	0.070	0.081	0.151
38	0.111	0.089	0.200	0.074	0.089	0.163
39	0.119	0.100	0.219	0.079	0.100	0.179
40	0.128	0.110	0.238	0.085	0.110	0.195
41	0.135	0.123	0.258	0.090	0.123	0.213
42	0.145	0.137	0.282	0.097	0.137	0.234
43	0.156	0.151	0.307	0.104	0.151	0.255
44	0.168	0.168	0.336	0.112	0.168	0.280
45	0.181	0.186	0.367	0.121	0.186	0.307
46	0.196	0.207	0.403	0.130	0.207	0.337
47	0.213	0.229	0.442	0.142	0.229	0.371
48	0.23	0.255	0.485	0.154	0.255	0.409
49	0.253	0.278	0.531	0.168	0.278	0.446
50	0.277	0.307	0.584	0.185	0.307	0.492
51	0.304	0.333	0.637	0.202	0.333	0.535
52	0.334	0.365	0.699	0.223	0.365	0.588
53	0.369	0.402	0.771	0.246	0.402	0.648
54	0.409	0.447	0.856	0.273	0.447	0.720
55	0.452	0.501	0.953	0.301	0.501	0.802
56	0.503	0.569	1.072	0.335	0.569	0.904
57	0.562	0.649	1.211	0.375	0.649	1.024
58	0.628	0.754	1.382	0.419	0.754	1.173
59	0.704	0.893	1.597	0.469	0.893	1.362
60	0.79	1.045	1.835	0.527	1.045	1.572
61	0.891	1.267	2.158	0.594	1.267	1.861
62	0.994	1.459	2.453	0.662	1.459	2.121
63	1.032	1.673	2.705	0.688	1.673	2.361
64	1.0700	2.175	3.245	0.714	2.175	2.889
65	1.122*	n/a	1.122*	0.748*	n/a	0.748*
66	1.160*	n/a	1.160*	0.773*	n/a	0.773*
67	1.198*	n/a	1.198*	0.799*	n/a	0.799*
68	1.236*	n/a	1.236*	0.824*	n/a	0.824*
69	1.273*	n/a	1.273*	0.849*	n/a	0.849*

### Calculating the weekly cost of Death and TPD cover



1. Divide the amount of cover you have, or wish to apply for, by \$10,000.
2. Then multiply by the weekly cost for \$10,000 of Death or TPD cover for your age, gender and a Professional work rating.

#### Example (Professional work rating):

Sally is 31, female and has a Professional work rating.

She has \$408,000 of Death cover and \$408,000 of TPD cover.

To work out the weekly cost of her Death and TPD cover:

$$\frac{408,000}{10,000} \times 0.099 = 4.0392$$

**The cost of Sally's Death and TPD cover is \$4.04 a week.**



\* Cost for fixed Death cover only. Salary-based Death cover ends at age 65. See the *Insurance in your super* guide for Select members at [australiansuper.com/ibm](http://australiansuper.com/ibm) for more information.

Total weekly costs are quoted gross of tax. Costs are rounded for disclosure purposes.

# Useful things you should know

## Limited cover and full cover

Limited cover means you don't have full cover and you won't be covered for any pre-existing illnesses or injuries you had before you got your cover. Limited cover may last for different lengths of time and applies to all cover types, including Death cover. You'll be covered for an illness that becomes apparent, or an injury that occurs on or after the date that your cover starts, restarts or increases.

Full cover means your cover is not limited cover. You're covered for both pre-existing and new illnesses or injuries, unless exclusions apply.

To learn more and understand other circumstances for limited cover see the *Limited cover* section in the *Insurance in your super* guide for Select members at [australiansuper.com/ibm](http://australiansuper.com/ibm)



## Claiming on your cover




Your eligibility to claim for benefits will be determined by the Insurer in line with our insurance policy terms and conditions. The table below provides handy details if you need to make a claim.

	Death	TPD	Income Protection*	Terminal Illness
When making a claim, does it matter whether I'm employed or unemployed at the date of death, injury or illness?	✗	✓	✓	✗
Is basic cover provided if I've previously made a claim for TPD or Terminal illness?	✓ Limited cover <sup>†</sup> will apply	✓ Limited cover <sup>†</sup> will apply	✗ You don't get basic Income Protection <sup>‡</sup> with your AustralianSuper Select account.	✓ Limited cover <sup>†</sup> will apply
Is there a waiting period before a claim can be paid?	✗	✓ 3 months	✓ You don't get basic Income Protection <sup>‡</sup> with your AustralianSuper Select account. If you apply for cover your selected waiting period will apply.	✗
Are pre-existing medical conditions covered (provided limited cover doesn't apply <sup>†</sup> )?	✓	✓	✓	✓

\*If you have Income Protection and are eligible to make a claim, your benefit payments may be reduced by income you receive from other sources. See the *Insurance in your super* guide for Select members at [australiansuper.com/ibm](http://australiansuper.com/ibm) for examples.

<sup>†</sup> See the Limited cover and full cover section above to understand what this means for you.

<sup>‡</sup> Income Protection is provided under a separate insurance policy maintained and paid for by your employer.

 <b>How to claim</b>	 <b>Can I nominate beneficiaries?</b>	 <b>What if I change my super fund?</b>
<p>We're here to help guide you (and the beneficiaries of members who've passed away), through the process of making a claim.</p> <p>To talk about a possible claim, call us on <b>1300 667 387</b> from 8:30am to 5pm AEST/AEDT weekdays.</p>	<p>Nominate who will receive your super if you pass away. This is an important decision and will tell us who you want your super account balance and insurance to be paid to.</p> <p>To make a binding nomination complete a valid <i>Binding death nomination</i> form available at <a href="http://australiansuper.com/forms">australiansuper.com/forms</a></p>	<p>To find out if you have insurance with another fund, log into your account and go to <i>Consolidate and find your super</i>.</p> <p>It's important to know that if you want to transfer insurance cover to AustralianSuper, you'll need to do this before you combine your super. That's because combining your super into your AustralianSuper account doesn't automatically transfer any insurance you have with your other super fund/s. See the <i>Applying for an insurance transfer</i> fact sheet at <a href="http://australiansuper.com/select">australiansuper.com/select</a> for step-by-step instructions on how to apply.</p>

### Contact us

Call <b>1300 667 387</b> (8.30am to 5pm AEST/AEDT weekdays)	Web <a href="http://australiansuper.com/select" style="color: white;">australiansuper.com/select</a>
Email <a href="mailto:as.select@australiansuper.com" style="color: white;">as.select@australiansuper.com</a>	Mail GPO Box 1901, MELBOURNE VIC 3001



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