

# Important change to your Income Protection

On 30 March 2024 your Income Protection<sup>1</sup> will reduce to \$1,000 a month.

## What this means for you

### What's changing?

You currently pay for basic age-based<sup>2</sup> Income Protection from your super account. We're reducing the amount of Income Protection you have to \$1,000 a month and changing it to fixed cover<sup>2</sup>.

This reduction will be effective from **30 March 2024**.

### Why?

It's important that you get value from your insurance cover<sup>1</sup> and that it's right for your needs, because insurance costs are deducted monthly from your super account and they reduce your retirement savings.

We're reducing your Income Protection because you may be paying too much for your cover and may not be able to claim the full amount of your cover, as your estimated annual salary is less than \$25,000. This is based on the gross Superannuation Guarantee contributions you've received in your AustralianSuper account for the last four financial years. See full details in the Why we're reducing your Income Protection section on page 2.

### Your options

Income Protection 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.

We don't know your personal and financial circumstances. We're writing to you before we reduce your cover so you can consider your insurance needs, how much cover (if any) might be right for you and your options if you do want to keep or change your Income Protection.

If you want to keep your age-based Income Protection, you can. See the How to keep your age-based Income Protection and the Change your Income Protection sections to find out how on page 4.

<sup>1</sup> AustralianSuper insurance is provided by TAL Life Limited (the Insurer) ABN 70 050 109 450, AFSL 237848.

<sup>2</sup> See the information on page 5 to learn about age-based and fixed cover.

## You'll find the full details of the changes over the next few pages



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## Why we're reducing your Income Protection

You may be paying for too much Income Protection and the cost of it may reduce your retirement savings.

Based on the Superannuation Guarantee contributions you've received in your AustralianSuper account for the last four financial years up to 30 June 2023, your age-based Income Protection may be unsuitable for you<sup>1</sup>. This is because:

- The maximum Income Protection benefit payment amount you can get if you're eligible to claim is the lower of your cover amount or 85% of your pre-disability income and the payments may be reduced by income you receive from other sources<sup>2</sup>. Up to 75% of your benefit payment is paid to you and up to 10% to your AustralianSuper account. The benefit payment amount may be less than the total amount of cover you're insured for.
- If the amount of cover for your age is more than 85% of your salary, you may not be able to claim the full cover amount you're paying for from your super account.

For more information see the *Age-based cover amounts* and *Claiming an Income Protection benefit payment* sections of the *Insurance in your super* guide at [australiansuper.com/InsuranceGuide](https://australiansuper.com/InsuranceGuide)



### Review your insurance needs

- You should check your cover and review your insurance needs and circumstances.
- When reviewing your Income Protection, think about whether you need this type of insurance cover and the amount that is right for you.
- Consider the impact of insurance costs on your retirement savings.
- If you have insurance cover elsewhere, for example with another super fund, then you may want to consider if you should keep both amounts of cover and if you will be able to claim it or not.
- You may choose to keep your basic age-based Income Protection, or you may want to increase, decrease or cancel it based on your needs.

#### How to check your cover

To check how much cover you have, use the AustralianSuper app or log into your account at [australiansuper.com](https://australiansuper.com), go to *Insurance*, then *Manage insurance*.



### Some reasons you may want to keep your basic age-based Income Protection

- If your cover reduces to \$1,000 a month of fixed Income Protection you'll need to apply and provide detailed health information for the Insurer to consider if you want more Income Protection in the future.
- If the cover you have is right for you based on your salary and financial circumstances.
- If you expect that your salary may increase in the near future.

<sup>1</sup> Based on the gross Superannuation Guarantee contributions received for the last four financial years in your AustralianSuper account, your estimated annual salary is less than \$25,000 indicating that basic age-based Income Protection may be unsuitable for you. This estimate does not take into account contributions you may be receiving at any other super fund, your insurance needs and your financial circumstances.

<sup>2</sup> Income from other sources include benefits payable under other Income Protection policies, workers' compensation and motor accident compensation (for example TAC). For more examples see the *Insurance in your super* guide.



### Example

Kylie has just turned 35. She has age-based Income Protection with AustralianSuper. She's covered for \$3,000 a month (\$36,000 a year).

She's been working part-time for the past few years as her family grows. She's earning \$24,000 a year (before tax and excluding super). 85% of her part time earnings is \$20,400 a year or \$1,700 a month.

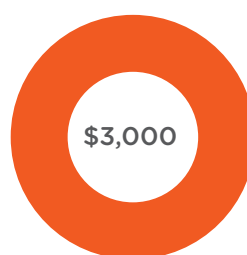
Kylie plans on returning to work full-time within the next six months. Her full-time earnings will be \$45,000 (before tax and excluding super). 85% of her full-time earnings will be \$38,250 a year or \$3,187 a month.

The Income Protection amount Kylie may be able to claim is shown below:

Kylie is working part time and paying for \$3,000 a month of age-based Income Protection



Kylie is working full time and paying for \$3,000 a month of age-based Income Protection



- Monthly cover amount Kylie may be able to claim
- ▨ Monthly cover amount Kylie cannot claim

Kylie decides to keep her age-based cover, because she knows that she'll soon be earning enough to claim up to the full age-based Income Protection amount.

## How to keep your age-based Income Protection

If you want to keep your age-based Income Protection, you can.

You need to let us know by completing the *Keep your basic Income Protection* form online at [australiansuper.com/KeepIP](https://australiansuper.com/KeepIP) or the form enclosed (if you've received this by post) by **25 March 2024**.

If we don't receive your form by 25 March 2024 (and if you haven't made any changes to your Income Protection or notified us of a claim as outlined below), your Income Protection will be reduced to \$1,000 a month of fixed cover, effective **30 March 2024**. We'll write to you to confirm we've reduced your cover.

If you choose to keep your age-based Income Protection or change it, your cover may still stop in the future if your account becomes inactive (because you haven't received any contributions or rollovers into your super account for a continuous period of 16 months). We'll write to you before this happens.



Your cover could also stop for several other reasons. Refer to the *When cover stops and how you can get cover again* section of the *Insurance in your super* guide at [australiansuper.com/InsuranceGuide](https://australiansuper.com/InsuranceGuide)

### Change your Income Protection

We won't reduce your cover to \$1,000 a month of fixed cover if you make any of the following changes to your Income Protection by **25 March 2024**:

- cancel your Income Protection
- apply to change your Income Protection to fixed cover (you can decrease or increase your cover to a fixed amount or convert the amount of age-based cover you have to fixed cover), or
- change your benefit payment period or waiting period.

You can change your cover by using the AustralianSuper app or logging into your account at [australiansuper.com](https://australiansuper.com), or by completing the appropriate form at [australiansuper.com/InsuranceForms](https://australiansuper.com/InsuranceForms)

Before making any changes, you should read the *Insurance in your super* guide available at [australiansuper.com/InsuranceGuide](https://australiansuper.com/InsuranceGuide). It contains important information about insurance, including costs, your eligibility for cover, how much you can apply for, what you're covered for, when it starts and stops, active employment, limited cover and exclusions, work ratings and your insurance options.

### Claiming on any of your cover?

If you apply or notify us (before we reduce your Income Protection) of your intention to make a claim on any of your cover (including Death or Total & Permanent Disablement cover), we won't reduce your Income Protection to \$1,000 a month of fixed cover. If you're not sure if you can make a claim, call us on **1300 667 387** from **8.30am to 5pm AEST/AEDT weekdays** and we can help you work out the next steps.

## Age-based and fixed Income Protection

AustralianSuper offers both age-based and fixed cover. This table explains the difference between the two.



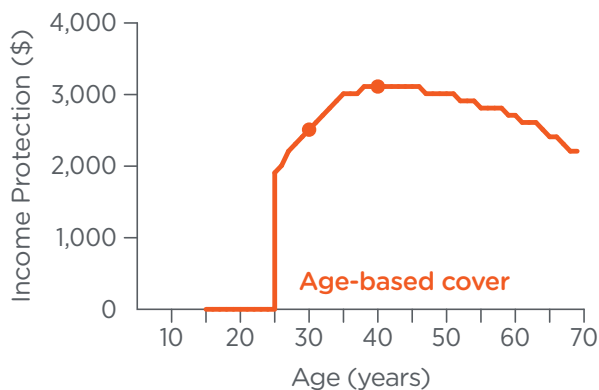
### Age-based cover

The amount of cover you get is based on your age. This means the amount of cover you get and the cost of it changes as you get older.



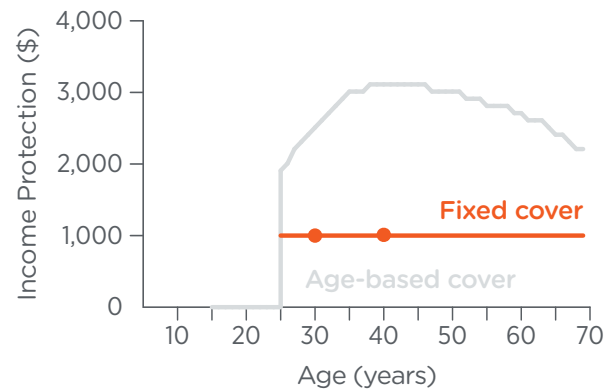
### Fixed cover

The total amount of cover you have stays the same unless you change it and generally the cost of it increases as you get older.



At age 30: **\$2,500**

At age 40: **\$3,100**



At age 30: **\$1,000**

At age 40: **\$1,000**

For more information about age-based and fixed cover and age-based cover amounts see the *Insurance in your super* guide at [australiansuper.com/InsuranceGuide](https://australiansuper.com/InsuranceGuide)

## Help and advice

<b>Cancel or change your cover</b>	You can do this anytime by using the AustralianSuper app or logging into your account at <a href="https://australiansuper.com">australiansuper.com</a> , or by completing the appropriate form at <a href="https://australiansuper.com/InsuranceForms">australiansuper.com/InsuranceForms</a>
<b>Insurance in your super</b>	Before making any changes, you should read the <i>Insurance in your super</i> guide. It contains important information about insurance, including costs, your eligibility for cover, how much you can apply for, what you're covered for, when it starts and stops, active employment, limited cover and exclusions, and your insurance options. Download a copy at <a href="https://australiansuper.com/InsuranceGuide">australiansuper.com/InsuranceGuide</a>
<b>Insurance calculator</b>	You can use this to help work out how much (if any) cover is right for you and what it might cost, based on your age as well as other personal and financial details. Go to <a href="https://australiansuper.com/InsuranceCalculator">australiansuper.com/InsuranceCalculator</a>
<b>General advice<sup>1</sup> (at no extra cost to you)</b>	Most over-the-phone general advice about your AustralianSuper account (contributions you can add to your super, investment choices and personal insurance options) is included in your membership at no additional cost. Call <b>1300 300 273</b> from <b>8am to 8pm AEST/AEDT</b> weekdays.
<b>Find your member number</b>	Go to <a href="https://australiansuper.com/MemberNumber">australiansuper.com/MemberNumber</a>



<sup>1</sup> There's no charge for general advice about your super account. The financial advice you receive will be provided by Link Advice Pty Limited ABN 36 105 811 836, AFSL 238145 and will be their responsibility. Personal product advice provided may attract a fee, which will be outlined before any work is completed and is subject to your agreement.

## Notes

# More information

For updates about the changes, access to the online form and Frequently Asked Questions, go to **[australiansuper.com/IncomeProtectionChanges](https://australiansuper.com/IncomeProtectionChanges)**

## If you have any questions, we're here to help

Call **1300 300 273**

8am to 8pm AEST/AEDT weekdays

Email **[insurance@australiansuper.com](mailto:insurance@australiansuper.com)**

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