

Income Protection insurance

This fact sheet is for Accumulation Plan members who want more information on Income Protection insurance.

Better to be safe than sorry

No one likes to contemplate serious illness or injury. However, if something happened that meant you couldn't work for a while, what would happen to your income and lifestyle?

While most people insure valuable assets such as their vehicle, house and contents, many fail to insure what may well be their most valuable asset: the ability to earn income.

Income Protection insurance can give you and your family peace of mind that you're financially supported if something goes wrong.

How it works

Income Protection insurance in ESSSuper's Accumulation Plan provides a regular payment up to 85% (75% payable to you plus up to 10% paid as a superannuation guarantee contribution to your Accumulation Plan account) of your pre-disablement income if you become totally disabled.

If you cease to be totally disabled but are still partially disabled, you may be eligible to receive a partial benefit.

Insurance in super advantage

The offer of insurance cover can be extremely valuable given the hazardous nature of some of our members' occupations, which makes it extremely challenging to obtain insurance cover outside of a group insurance arrangement.

Also buying insurance through your super fund may be one of the cheapest ways to obtain it. Income Protection insurance via a group policy is generally much cheaper than individual cover.

The cost depends on factors including your:

- age
- level of cover
- waiting period (i.e. 30, 60 or 90 day delay before benefits start)
- benefit period (i.e. payment for 2 years or to age 65)
- occupational classification.

Eligibility

All eligible Accumulation Plan members under age 65 can apply for Income Protection insurance through the Accumulation Plan.

As a new member, you may be able to apply for up to 15 units (10 units for Operational members) of a 2-year benefit period Income Protection insurance without having to provide proof of your health within 120 of joining the Accumulation Plan or becoming a member of the Defined Benefit scheme.

At a glance

- cover provides you with a benefit of up to 85% of your pre-disablement income
- you can choose from a 30, 60 or 90 day waiting period
- you can choose either a '2 year' or 'to age 65' benefit period
- the cost of the cover varies each year based on your age, occupational classification, waiting period and benefit period
- cover is subject to eligibility criteria and your ability to pay premiums
- premiums are deducted from your account twice yearly on a pro-rated basis on your birthday and on 30 June, or upon full withdrawal if earlier.

Example

Andrew is 40 years old working in a non-operational role earning an annual salary of \$90,000. He has 15 units of Income Protection cover in the Accumulation Plan which will provide Andrew with an insured benefit of up to 85%* of his pre-disability income (75% payable to Andrew and 10% payable as a super contribution) with a two year benefit period and a 30 days waiting period. The cost of Andrew's income protection insurance cover is \$419.55 per annum.

When Andrew is seriously injured, his doctor tells him he can't return to work for 12 weeks. Andrew has only four weeks sick leave. As he is covered by an Income Protection insurance policy with a 30-day waiting period, Andrew fills in a claim form. 30 days from the date of his accident, he starts to receive monthly payments of \$6,375 (including super). After just two months, Andrew's doctor lets him return to part time work. Andrew's insurer continues to pay him a partial disability benefit until he returns to full-time work three months after the accident. Together, Andrew's sick leave and Income Protection insurance combine to shield him from loss of income during his entire injury period. In other words, he's not short of income while he needs it most. Rather than worry about money, he can focus on his recovery.

The cost of income protection cover will change depending on members' age, the nature of their occupation (operational, non-operational or teacher/professional), the chosen waiting period (30/60/90 days) and benefit period (2 years or to age 65).

complete the *Vary Your Insurance Cover form (ES167)* section 3C or Section 3D available at esssuper.com.au/forms under the 'insurance forms' heading.

Otherwise, you can apply for or increase your Income Protection insurance at any time by completing the *Vary Your Insurance Cover form (ES167)* and the Insurer's Personal Statement, available on our website at esssuper.com.au/forms under the 'insurance forms' heading.

Learn more

If you'd like to learn more about ESSSuper's Income Protection Insurance,

- our *Accumulation Plan Product Disclosure Statement* and *AP.2 Insurance Guide* available from our website at esssuper.com.au/pds
- call our Member Service Centre on 1300 650 161 (emergency services members) or 1300 655 476 (state super members).

How to apply

First, you need to be a member of ESSSuper's Accumulation Plan. Then, read the *Accumulation Plan Product Disclosure Statement* and *AP.2 Insurance Guide* for a comprehensive explanation of features, benefits, conditions and limitations. A copy is available at www.esssuper.com.au/pds

When you join the Accumulation Plan, you may be able to apply for Income Protection insurance without having to provide proof of your health. Within the first 120 days of joining the Accumulation Plan or becoming a member of the Defined Benefit scheme, eligible members can choose up to 15 units (10 units for Operational members) of a 2-year benefit period Income Protection insurance without proof of your health. To opt in to receive automatic acceptance level of cover, please

Proudly serving our members

Insurance cover is subject to eligibility criteria and other terms and conditions in the Policy. Please read the *Accumulation Plan Product Disclosure Statement*, available from ESSSuper, for more information. Benefits in ESSSuper's Accumulation Plan, Income Streams and Beneficiary Account products are not guaranteed or underwritten by the Victorian Government or ESSSuper, and ESSSuper does not come under the jurisdiction of the Australian Financial Complaints Authority.

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