

# Insurance factsheet for current Accumulate Plus members of Group Super.

13 11 84 | [australianretirementtrust.com.au](https://australianretirementtrust.com.au)

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If you're currently an Accumulate Plus member of Group Super and are employed by CBA Group, this insurance factsheet is for you.

## Understand your insurance

In the CBA Group Super Plan with Australian Retirement Trust, members will have access to the following insurance:

- **Death cover**, which is designed to pay a benefit if you die. You may be able to receive an insurance benefit if you are diagnosed with a terminal illness. You'll need to meet the terminal illness definition.
- **Total & Permanent Disability cover**, which is designed to pay a benefit if you can't ever work again. You'll need to meet the relevant definitions of total and permanent disablement for your cover.
- **Income Protection cover (called Salary Continuance with Group Super)** - which provides a monthly benefit in the event that you are unable to work due to sickness or injury (if currently held with Group Super).

## Your Death and Total & Permanent Disability cover

When the new CBA Group Super Plan commences in Australian Retirement Trust on 4 November 2023, you'll be provided with insurance cover<sup>1</sup> that is equal to or greater than, the amount of cover you had in Group Super.

Any salary based Death and Total & Permanent Disability cover you had at the time of the transition will continue with Australian Retirement Trust as Standard Death and/or Total & Permanent Disability cover, however it will be calculated differently.

Where any individual exclusions, restrictions or loadings apply to existing cover in Group Super, these will continue to apply when your account is carried over to the CBA Group Super Plan with Australian Retirement Trust.



It's important to note that how cover is calculated (benefit design) if you're a permanent or fixed term contract employee currently on salary based cover (with Group Super) and when tapering occurs (when cover decreases with age) is changing. Further details on how to fix (so cover doesn't decrease with age) your Death and Total & Permanent Disability cover and how to opt out of this change in benefit design are provided later in this factsheet.

<sup>1</sup>Insurance cover in Australian Retirement Trust will be provided via group life policies for Death and Total & Permanent Disability and Income Protection cover issued by AIA Australia Limited (ABN 79 004 837 861, AFSL No 230043) to the Trustee of the Australian Retirement Trust Superannuation Fund.

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## **If you're a Bankwest employee in Group Super, how your Death and Total & Permanent Disability cover is calculated is not changing**

If you joined Group Super as part of the Bankwest successor fund transfer in November 2013 (Bankwest SFT members), your cover will continue to be provided on a fixed cover basis and will not decrease with age.

## **If you've previously elected to convert your cover to fixed cover or have taken out additional voluntary cover, your Death and Total & Permanent Disability cover will now taper from age 51**

It's important to note that cover tapers (decreases with age) in the new CBA Group Super Plan with Australian Retirement Trust. The change in tapering rules has been introduced to address the concern of account balance erosion due to insurance premiums, by automatically and reasonably reducing high (and expensive) levels of cover at older ages of membership.

Your cover will continue to be provided on a fixed cover basis however from age 51 your cover will taper (decreases with age) on your birthday. You have the option to opt out of tapering and fix your Death and/or Total & Permanent Disability cover effective 4 November 2023. Further details on how to opt out of this change are provided later in this factsheet.

## **If you're currently on a salary based design in Group Super, how your Death and Total & Permanent Disability cover is calculated in Australian Retirement Trust is changing**

Prior to the SFT, Group Super was reviewing its insurance offering to ensure the current insurance offering provides value and meets members' evolving needs. In line with the upcoming transfer, Australian Retirement Trust has introduced a number of policy design changes to make insurance more affordable and reduce premiums.

Insurance premium rates are set to decrease. Overall, CBA Group employees will benefit from a reduction in Death and Total and Permanent Disablement premium rates of on average around 26%, and Salary Continuance premium rates of on average around 6%, compared to what you currently pay in Group Super. The premium impact varies depending on your age and the type of cover you hold. The same premium rates will apply for Standard Cover and Additional Cover.

When the new CBA Group Super Plan commences in Australian Retirement Trust on 4 November 2023, Standard Death and Total & Permanent Disability cover for permanent or fixed term contract employees whose cover is calculated based on their salary will be calculated differently. It should be noted that this applies for any multiple of salary.

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It's important to note that eligible employees will automatically receive Standard cover when they attain age 25 and their account balance reaches \$6,000.

Current Default formula with Group Super	New formula in the CBA Group Super Plan <sup>3</sup>
4 x Salary <sup>1</sup>	15% x Salary <sup>1</sup> x Period <sup>2</sup> to age 70

<sup>1</sup>Salary as currently calculated and provided by your employer.

<sup>2</sup>Period means Years and whole months. Cover is recalculated on a monthly basis.

<sup>3</sup>Eligible members will automatically receive Standard cover, when they have met eligibility conditions.

Refer to the Super Savings - Corporate Insurance guide CBA Group Super Plan, available at [art.com.au/cbasp](http://art.com.au/cbasp) for conditions.

Depending on your age, some younger members will receive an increase in cover as a result of moving to the new formula basis. Where a member's new Standard cover calculation is less than their existing default cover in Group Super, the difference in cover will be applied as Additional fixed cover in the new CBA Group Super Plan with Australian Retirement Trust.

If you held additional voluntary insurance cover at the transfer date, this cover will carry across to the CBA Group Super Plan with Australian Retirement Trust. Any voluntary Death and Total & Permanent Disability cover you held at the transfer date and/or any additional cover provided on SFT in the new CBA Group Super Plan to match your existing cover level in Group Super will be provided as an Additional fixed dollar amount of cover.

Below is an example of different aged employees on a salary of \$75,000 p.a. and how their Standard and/or any additional cover will move across from Group Super to the CBA Group Super Plan on 4 November 2023:

Age	Group Super 4 x Salary		CBA Group Super Plan 15% x Salary x Period to age 70	
	Current Default Death and Total & Permanent Disability cover <sup>1</sup>	Current Additional Death and Total & Permanent Disability cover	New Standard Death and Total & Permanent Disability cover <sup>2</sup>	New Additional Death and Total & Permanent Disability cover <sup>3</sup>
25	\$300,000		\$506,250	
35	\$300,000	\$100,000	\$393,750	\$100,000
45	\$300,000		\$281,250	\$18,750
55	\$300,000		\$168,750	\$131,250

<sup>1</sup>Current formula: 4 x Salary. Example – 4 x \$75,000 = \$300,000

<sup>2</sup>New formula: 15% x Salary x Period to age 70. Example for a 25 year old – 15% x \$75,000 x 45 years = \$506,250.

<sup>3</sup>Where a member holds Additional Death and Total & Permanent Disability cover, this will be maintained as Additional cover.

It should be noted that if you have an increase in cover due to the new formula design in Australian Retirement Trust, your premiums may increase as a result. You can confirm your new cover amount and premiums in the Insurance Calculator available at [art.com.au/cbasp](http://art.com.au/cbasp)

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## Important information about fixed insurance cover

Insurance cover in Australian Retirement Trust is provided under different insurance policies with different terms and conditions to those in Group Super.

It's important to note that where Insurance cover is provided on a fixed cover basis (excluding Bankwest SFT members), cover tapers (decreases with age) differently as you age, in the new CBA Group Super Plan with Australian Retirement Trust. The change in tapering rules was introduced to address the concern of account balance erosion due to insurance premiums, by automatically reducing high (and expensive) levels of cover at older ages of membership.

## Tapering of Additional cover

Australian Retirement Trust applies tapering on Additional cover. The amount of tapering will depend on your age at the transfer date and whether you have Additional cover at the transfer date or apply for it or at a later date.

Standard tapering will apply if you're younger than age 51 on transfer date and to any new applications for Additional cover after transfer date.

Below is the difference in tapering rules within Group Super and in the new CBA Group Super Plan with Australian Retirement Trust.

Tapering with Group Super	Standard tapering in the CBA Group Super Plan
<p>Standard Total &amp; Permanent Disability cover reduces annually by 10% each year from your 61st birthday before cover ceasing on your 70th birthday.</p>	<p>As detailed previously Standard Death and Total &amp; Permanent Disability cover changes with age and salary on a monthly basis. Depending on changes in salary, cover generally starts to decrease from around age 40.</p>
<p>Voluntary or Fixed Death and Total &amp; Permanent Disability cover - no tapering.</p>	<p>Additional or Fixed Death and Total &amp; Permanent Disability cover reduces annually from age 51 by 5% of your insured benefit at age 50, until your 70th birthday when cover ceases.</p>

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Transitional tapering on Additional cover will apply if you're aged 51 and older on the transfer date. This will provide a smoothed reduction in your insured cover between the transfer date and age 70. The first annual taper will apply on your next birthday and the amount of taper is listed below:

Age transitional tapering starts	Your Additional cover will taper each year by:
51	5.0% p.a.
52	5.3% p.a.
53	5.6% p.a.
54	5.9% p.a.
55	6.3% p.a.
56	6.7% p.a.
57	7.1% p.a.
58	7.7% p.a.
59	8.3% p.a.
60	9.1% p.a.
61	10.0% p.a.
62	11.1% p.a.
63	12.5% p.a.
64	14.3% p.a.
65	16.7% p.a.
66	20% p.a.
67	25% p.a.
68	33.3% p.a.
69	50% p.a.
70	100% p.a.

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## Fix your Death and Total & Permanent Disability cover and opt out of the change in benefit design

Due to the automatic change in benefit design to both Standard cover and Additional cover provided on a fixed cover basis, you have the option to opt out of the change in your Death and/or Total & Permanent Disability cover design and to fix your current cover effective 4 November 2023 (excluding Bankwest SFT members). It's important to note that if you fix your cover, any cover held in Group Super at the time of the transition will remain level for the duration of your membership, the new benefit design will not apply, and any fixed cover held will not taper (decrease from your 51st birthday). This means the amount of your insurance cover stays the same regardless of your age and/or salary.



To fix your current Death and Total & Permanent Disability cover and opt out of the change in benefit design, click the link in the transition email we sent you by 4 December 2023.

As the insurance premiums deducted from your super balance can affect the amount of money that you have at retirement, especially if the premiums deducted from your account are higher than the contributions and earnings credited to your account, the Trustee thought it was prudent to introduce measures to offset the cost of insurance at older ages.

It's important that you regularly review your contribution amount/s and insurance cover to make sure it continues to meet your needs and still allows you to provide for your retirement.

## Tailor your cover

Eligible permanent or fixed term employees can increase or decrease their Standard cover to one of the formulas below:

- 5% x Salary x Period to age 70
- 10% x Salary x Period to age 70
- 20% x Salary x Period to age 70

These options are not available to Bankwest SFT members or members who have elected to fix their cover.

You can also apply for Additional cover on a fixed<sup>1</sup> dollar amount of cover.

Any application for an increase in cover is subject to acceptance by the insurer. Satisfactory evidence of health may be required.

You can tailor your cover after 4 November 2023. All forms are available at [art.com.au/cbasp](https://art.com.au/cbasp). You can also cancel your insurance cover any time through Member Online or by contacting us on **13 11 84**.

<sup>1</sup>With fixed cover, Death and Total & Permanent Disability cover reduces annually from age 51 by 5% of your insured benefit at age 50, until your 70th birthday when cover ceases.

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## Your Income Protection cover

If you have Salary Continuance Insurance in Group Super, your cover will continue to be calculated as it currently is (subject to eligibility requirements mentioned earlier).



If you were covered under the CBA EIP plan and you leave employment with the CBA Group, you may be eligible to transfer your CBA EIP cover amount into the Super Savings – Corporate Former CBA Group Super Plan. For further details, read the Super Savings - Corporate Insurance guide, available at [art.com.au/cbasp](https://art.com.au/cbasp)

## Tailor your existing Income Protection cover

You can apply to change existing Income Protection cover to provide a replacement income of up to 75% of Salary, for up to 2 years or to-age-65, after a waiting period of either 30 or 90 days, while you're unable to work due to sickness or injury.

You can tailor your existing cover after 4 November 2023. All forms are available at [art.com.au/cbasp](https://art.com.au/cbasp). It's important to note that no new applications for Income Protection cover are available in the new CBA Group Super Plan, with Australian Retirement Trust.

### Covid-19

It's important to note that, AIA's existing Death, Total & Permanent Disability and Income Protection policies provide cover for COVID-19, in accordance with the policy terms. There is nothing in the policy terms that prevents AIA from paying claims in these circumstances and they don't have any policy exclusions or limitations related to epidemics and/or pandemics.

### More information

- Use the Insurance Calculator available at [art.com.au/cbasp](https://art.com.au/cbasp) and enter your employment details for a more detailed insurance quote.
- Read the Super Savings - Corporate Insurance guide CBA Group Super Plan<sup>1</sup>, available at [art.com.au/cbasp](https://art.com.au/cbasp) to compare the terms and conditions in your current plan with those in Australian Retirement Trust, including the premiums and details of your cover.
- Check your insurance cover in your Welcome letter which will be sent mid-November 2023.

<sup>1</sup>The Super Savings - Corporate Insurance guide CBA Group Super Plan which will be available on or shortly after 3 October 2023 (for information only purposes until the Plan starts on 4 November 2023) at [art.com.au/cbasp](https://art.com.au/cbasp)