

Super Savings – Corporate

Defined Benefit Handbook

Issue date: 1 July 2024

IAG Superannuation Plan

Category A – Ex-NRMA

Category B – Ex-RACV

Category C – Ex-CGU

Category D – Ex-CGU VACC

Category E – Ex-SGIO

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Important information

This is the Super Saving - Corporate Defined Benefit Handbook for IAG Superannuation Plan (Handbook). This Handbook contains information for Defined Benefit members about their Defined Benefits (including insured benefits) and Additional Accumulation account(s) in IAG Superannuation Plan (Plan).

This Handbook may reference important information contained in the following:

- The Super Savings Accumulation Guide, containing information about superannuation in general and Super Savings in particular,
- The Super Savings Investment Guide, containing information about the investment options available in the IAG Superannuation Plan.
- The Super Savings - Corporate Lifetime Pension Handbook for IAG Superannuation Plan (Lifetime Pension Handbook), containing information about lifetime pension benefit in the IAG Superannuation Plan.
- The Employer and Salary Sacrifice Contributions for Defined Benefit Members factsheet.

This Handbook and all Super Savings products are issued by Australian Retirement Trust (ABN 88 010 720 840, AFSL No. 228975) (Trustee) as trustee for Australian Retirement Trust (Fund).

General advice disclaimer

This document contains general information only and doesn't take into account your personal objectives, financial situation or needs. Before acting on any information in this document, you should consider the appropriateness of the information with regard to your objectives, situation and needs. You should consider obtaining financial advice tailored to your circumstances. Before making any decision to acquire or continue to hold any financial product, you should consider whether the product is right for you by reading the relevant product disclosure statement (PDS). Call us if you would like to speak to a qualified financial adviser about your account.

Protecting your privacy

Australian Retirement Trust respects the privacy of the information you give us. If you require a copy of our Privacy Policy visit art.com.au/privacy or contact us.

Financial Services Guide (FSG)

The FSG contains information about the financial services Australian Retirement Trust provides and will help you decide whether to use these services. Visit art.com.au/fsg or contact us for a copy.

How to use this Handbook

This Handbook will provide you with important information to help you better understand your Defined Benefit and your Additional Accumulation account. Make sure you read this Handbook so you can make informed decisions and get the most from your super, throughout your working life and during your retirement.

Insurance

Australian Retirement Trust is the superannuation fund that Insurance Australia Group Services Pty Ltd (IAG) and the other employers that participate in the Plan have chosen to manage their Defined Benefit plan. IAG is not responsible for the preparation of this document. It is not providing advice or a recommendation in relation to your benefit in the IAG Superannuation Plan.

This Handbook contains information about the specific features of the IAG Superannuation Plan in Australian Retirement Trust, including the specific details of your Defined Benefit, contributions, and death and disablement benefits. This Handbook applies to former members of the IAG defined benefit members of the IAG & NRMA Superannuation Plan (Former Fund).

The details of the Defined Benefits in the IAG Superannuation Plan are documented in the IAG Superannuation Plan Benefit Deed, which is an agreement between Australian Retirement Trust Pty Ltd (the Trustee) and IAG. Your benefits are governed by the IAG Superannuation Plan Benefit Deed, and by the terms and conditions of the Trust Deed of Australian Retirement Trust Superannuation Fund and, where applicable, the group life policies. The information in this Handbook is a summary only of some important features. If any statement in this Handbook conflicts with the Trust Deed, the IAG Superannuation Plan Benefit Deed or group life policies, then the Trust Deed provisions, IAG Superannuation Plan Benefit Deed or group life policies will override this Handbook.

Your Defined Benefit Death, Total & Permanent Disablement, Permanent Disablement and Income Protection benefits are funded from the Defined Benefit assets within the IAG Superannuation Plan and through group insurance policies issued by Zurich Australia Limited (Zurich) ABN 92 000 010 195 AFSL 232510 to the Trustee of Australian Retirement Trust Superannuation Fund. In the event of any difference between the information in this document and the group insurance policies issued by Zurich Australia Limited, the group insurance policies override this document.

1. About the IAG Superannuation Plan

This Handbook outlines the arrangements for Defined Benefit members within the IAG Superannuation Plan. The Defined Benefit categories of the Former Fund are closed to new members. A separate Product Disclosure Statement (PDS) outlines the arrangements within the IAG Superannuation Plan that apply for Accumulation members.

You remain a member of the IAG Superannuation Plan while you meet the eligibility conditions under the IAG Superannuation Plan Benefit Deed.

When the circumstances of your employment change, we recommend you contact us on **13 11 84** to discuss your benefit options.

Benefits

Your Defined Benefit in the IAG Superannuation Plan is calculated by way of a formula which is related to your membership period, your salary, your age and whether you are leaving as a result of ceasing employment due to your resignation, redundancy, retirement, disablement, or death. Your Defined Benefit may also be subject to a minimum benefit to ensure compliance with the *Superannuation Guarantee (Administration) Act 1992*. Refer to the relevant Appendix in this Handbook, for further details regarding your category arrangements.

Your Defined Benefit will be available as a lump sum on leaving employment. If eligible, it may also be taken as a Lifetime Pension.

Additionally, subject to preservation rules, you may be able to access your lump sum benefit as an income stream with a Super Savings Income account outside the IAG Superannuation Plan. Information on Income accounts can be found in the Super Savings Product Disclosure Statement for Income Account and Lifetime Pension, available at art.com.au/pds

You may also have an Additional Accumulation account. The balance of your Additional Accumulation account will be paid in addition to your Defined Benefit.

Membership eligibility

Each member, who was a member of the Defined Benefit category of the Former Fund, is a Defined Benefit member of the IAG Superannuation Plan.

2. Contributions

Member contributions

You may be required to contribute to the Plan to fund your Defined Benefit. Your rate of member contributions may also directly impact the value of your Defined Benefit.

Refer to the relevant Appendix for information on required Member contributions specific to your category of membership.

Defined Benefit contributions

Your employer, on the advice of the IAG Superannuation Plan Actuary, contributes at the rate required to fund the Defined Benefits. This rate may vary over time and is designed to ensure that there are sufficient assets in the IAG Superannuation Plan to pay benefits.

Additional Accumulation account

Your Additional Accumulation account can be one of, or a combination of your:

- Additional Voluntary Contribution account, and
- Rollover account

You can make additional voluntary contributions to the Plan at any time. You can make arrangements with your payroll department to pay these additional contributions from your after-tax salary, or before-tax salary (by salary sacrifice).

These contributions will be allocated to your Additional Voluntary Contribution Account. Refer to the Super Savings Accumulation Guide for information on salary sacrifice contributions.

If you receive any other type of contribution (for example, spouse contributions or Government co-contributions) they will be added to your Additional Voluntary Contribution account.

You can also transfer or rollover other superannuation benefits into your Rollover Account.

If you make contributions after you leave employment or after your retirement benefit has become payable, these contributions will be allocated to your Additional Accumulation account.

You can choose how to invest your Additional Accumulation account through a combination of the investment options within Australian Retirement Trust.

The value of your Additional Accumulation account is the total of any amounts transferred from the Former Fund together with future contributions or roll-overs made to your Additional Accumulation account, together with the investment returns (positive or negative) on those contributions, less contribution tax (where applicable). Investment returns are calculated through changes in the investment's daily unit price. For more information about your account balance and unit pricing, please refer to the Super Savings Accumulation Guide and the Super Savings Investment Guide.

When any benefit becomes payable, the balance of your Additional Accumulation account will be paid in addition to your Defined Benefit. Subject to preservation rules, you can elect to take the full amount as either a lump sum or as an income stream from a Super Savings Income account.

Offset account

You'll have an Offset account if you had a Surcharge account in the Former Fund.

If a payment is required to be made from your account for a Family Law split (see page 14), to pay additional taxes (see page 4) or an approved early release of your benefit (see page 6), and the balance of your Additional Accumulation account isn't enough to make the payment, the excess will be paid from your Offset account.

Your Offset account is invested in the same investment option as the defined benefit assets. This means your Offset account may increase over time, so the amount deducted from your final benefit may be more than the original payment amount. You can't change how your Offset account is invested.

The balance of your Offset account will be deducted from any benefit paid.

How Super is taxed

How Super is taxed

Super is a tax-effective way to save for your retirement. But it's not tax free. Different tax rules apply in different circumstances. Understanding how these taxes work will help you maximise your benefits. This section gives a summary of the way superannuation is currently taxed. The information on tax and preservation rules in this Handbook may not apply for members who are not Australian residents. Australian Retirement Trust isn't a tax agent. If you need further information on the taxation of super, talk to a financial adviser or tax adviser.

This tax information is based on the tax laws current when this Handbook was prepared and on the rates and thresholds in force for the 2024-25 tax year. You can find up-to-date tax information, including thresholds, at ato.gov.au



Tax on contributions

The government sets limits ("caps") on the amount of super contributions which benefit from the maximum tax concessions provided. It also sets limits on the amount of non-concessional (after-tax) contributions you can pay into super.

The following is a summary of the significant tax rules that apply to contributions:

- Concessional contributions (which include contributions made by your employer and salary sacrifice contributions) are generally taxed at 15% of the contribution.
- No tax applies to after-tax personal contributions, (such as member after-tax contributions), unless you claim a tax deduction.

Notional Taxed Contributions

Special rules apply to concessional contributions for defined benefit members of all superannuation funds. The level of contributions your employer is required to pay to the Plan to provide your benefits may vary from year to year. As such, it's impractical to use the actual contributions paid to the Plan by your employer. A formula is used to determine the value of your Notional Taxed Contributions for your defined benefit. The Trustee calculates this amount and reports it to the ATO to include in your concessional contribution cap.

The formula uses the following variables:

- Your Plan Salary at each 1 July – if your Salary changes during the year, any increases (or decreases) are ignored.
- A Contribution Rate percentage – this is a percentage of your Salary used in the formula and this percentage may be adjusted periodically.
- Your contributions - whether you contribute required member contributions to the Plan and if they are before-tax (concessional contributions) or after-tax (non-concessional contributions)

Please refer to the Employer and Salary Sacrifice Contributions for Defined Benefit Members of the IAG Superannuation Plan factsheet available at art.com.au/iag or by calling us on **13 11 84**, to see the applicable formula for your category of membership and a sample calculation.

If you leave employment, the formula is pro-rated for the number of days you were a defined benefit member in the Plan for that financial year.

The Administration fee paid by your employer on your Additional Accumulation account of 0.05% of your account balance is included in the calculation of your Notional Taxed Contributions.

Concessional contribution cap

Your concessional contributions are the total of:

- your Notional Taxed Contributions
- any additional voluntary contributions you pay by salary sacrifice
- administration expenses paid by your employer
- after-tax contributions you've made that you choose to make tax-deductible.

For 2024-25, the concessional (before-tax) contribution cap is \$30,000 p.a. If your Total Superannuation Balance was under \$500,000 on 30 June of the previous financial year, you may be able to carry forward any unused part of the cap from prior years to use within a rolling 5-year period.

Your Notional Taxed Contributions will count towards your concessional contributions cap. If your Notional Taxed Contributions are above the concessional contribution cap and grandfathering arrangements apply to your account, it's limited to the cap for reporting purposes. For information about grandfathering arrangements, please refer to the Employer and Salary Sacrifice Contributions for Defined Benefit Members of the IAG Superannuation Plan factsheet available at art.com.au/iag or by calling us on **13 11 84**.

Once you know your Notional Taxed Contributions amount for the year, you'll be able to calculate the maximum amount of voluntary concessional contributions you can make for the year which will keep you under the concessional contribution cap.

If you go over your cap, the excess amounts become part of your assessable income and you'll pay tax on it at your marginal rate less a 15% tax offset to account for the contributions already paid. You can choose to withdraw up to 85% of your excess concessional contributions to help pay your income tax liability.

Non-concessional contributions cap

For 2024-25, the non-concessional (after-tax) contribution cap is generally \$120,000 p.a. You may be able to contribute up to 3 times the non-concessional contribution cap amount in a given financial year by "bringing forward" the next two years' worth of caps. If you use the future caps, they won't be available in those future years.

If on 30 June of the previous financial year your Total Superannuation Balance is equal to or above the general transfer balance cap (\$1,900,000 for 2024-25) your non-concessional contributions cap for the financial year will be nil.

Additional tax may apply if you exceed the non-concessional contributions cap. The ATO will notify you of your options if you go over the cap.

The non-concessional cap doesn't include downsizer contributions - refer to the Super Savings Accumulation Guide at art.com.au/iag for more information about downsizer contributions.

For further information on the government's limits on nonconcessional contributions, visit ato.gov.au

Please seek financial advice if you're considering making large non-concessional contributions to your super.

Division 293 tax

If your income plus your concessional contributions are more than \$250,000 a financial year, the ATO may apply an additional 15% tax to some or all of your contributions. This is known as a Division 293 tax assessment and the ATO will notify you directly. Your Notional Taxed Contributions are included in the assessment of Division 293 tax, and the amount included will not be limited to the cap by any grandfathering.

Any tax you request be paid from your super under a Division 293 tax assessment will be deducted from your Additional Accumulation account. If you don't have an Additional Accumulation account, or don't have sufficient funds in your Additional Accumulation account to pay a Division 293 tax liability, we'll set up an Offset account for you.

Tax deductions for after-tax voluntary contributions

If you've made a voluntary after-tax contribution to your Additional Accumulation account, you can send us a notice that you intend to claim it as a tax deduction. You can do this in [Member Online](#). Once we process your request, the amount you specify will be classified as a before-tax contribution and counts toward the concessional contributions cap.

Note: you can't claim a tax deduction for any after-tax contributions paid to fund your defined benefit.

You should seek financial advice if you're considering claiming a tax deduction for your after-tax contribution.

3. Fees and costs

The fees and other associated costs of providing your defined benefit are paid by IAG and don't impact your benefit. If you have an Additional Accumulation account, investment fees and costs and transaction costs apply. These fees are deducted from investment returns before we declare the unit price. You can find the fees and costs for each investment option in the Super Savings Accumulation Guide at art.com.au/iag Fees and costs paid by IAG are rebated to your account and count towards your concessional contributions cap. Fees will change if you leave IAG and have any amount transferred to a Super Savings Accumulation account, Income account or Lifetime Pension.

4. How we invest your money

Defined Benefit investment

The Trustee, in consultation with IAG and the Plan Actuary, decides on the investment of the assets that support your Defined Benefit entitlements. The IAG Superannuation Plan Defined Benefit reserve will be invested in the IAG Defined Benefit Investment Option.

Additional Accumulation account

You can choose how your Additional Accumulation account is invested from our different investment options. You can allocate your money among our diversified options or use our index and singlesector options as the building blocks for your investment strategy.

Find out about our options in our Super Savings Investment Guide at art.com.au/iag

Note: When choosing how to invest your super, please consider:

- the level of returns you want
- the risk you can or should take to reach your investment goals
- your investment timeframe

Switch investments

Your investment choice is likely to change over time. We make it easy to switch your Additional Accumulation account investment options. Simply log in to Member Online.

Automatic rebalancing

If you choose multiple investment options, you can ask us to automatically rebalance your investments back to meet your preference. Over time your investment balance may shift from your preference because of market movements or payments taken from your account. You can edit or cancel your automatic rebalance at any time in [Member Online](#) or in the App.

You can choose to rebalance either annually on 31 March or bi-annually on 31 March and 30 September.

Changes to the investment options we offer

We may add to, close, or change our investment options from time to time. We'll notify you of any significant change.

5. Your benefits

The IAG Superannuation Plan may provide you benefits payable on retirement, leaving service, retrenchment, death, permanent disablement, or temporary disablement. The benefits you are eligible to receive depends on your category of membership.

This section provides general information about your benefits upon ceasing employment. For detailed information about how your benefits are calculated refer to the Appendix relevant to your category of membership.

What happens to my benefit when I leave my employer?

Effective the date you leave employment, your Defined Benefit will be transferred to an Accumulation account in the Plan. This account will be invested in the Balanced investment option, subject to a minimum investment return of 0%, until we have sufficient information to fully process your benefit, including notification of the date you ceased employment, the reason for cessation and receipt of any outstanding contributions from your employer. We will tell you what information we require from you. The processing of payments and transfers can be a lengthy process to complete, considering the level of information required and our dependency on external parties, including employers. At the time of payment, if you have selected an investment option for your Additional Accumulation account this account will then be combined with your Additional Accumulation account and invested according to your investment choice.

It's important to note that if you receive a Defined Benefit lump sum, this will be subject to investment returns from the date you leave employment until the date we transfer your Defined Benefit to a Super Savings Accumulation account, or your benefit is paid.

Your benefit, including your Defined Benefit lump sum and any Additional Accumulation account, can (subject to preservation rules) be paid to you as an income stream from a Super Savings Income account, or paid to you (subject to preservation rules) as a lump sum or transferred to Ex-IAG & NRMA Superannuation Plan or paid to another fund.

You may also be able to access some or all of your benefits as a Lifetime Pension.

Changes in the daily unit price mean the value of your benefit will change on a daily basis after you cease employment. When you approach the date at which you're planning to cease work, it's important that you consider what investment option is appropriate for you. You may wish to change your investment option(s) for your Additional Accumulation account prior to ceasing employment.

Speak to your adviser to get the advice you need. You can also find out more about financial advice options at art.com.au/advice or by calling us on **13 11 84**.

Refer to Section 11. What happens to my death and disability benefits if I leave my employer? for details on how this affects your Death and Total & Permanent Disability cover.

Partial Withdrawals

You may transfer part or all of your Additional Accumulation account at any time to a Super Savings Accumulation account or to another complying superannuation fund.

Receiving benefits in cash

Preserved lump sum benefits can only be paid to you as cash if you qualify under preservation rules. Generally, you'll qualify where:

- you're aged 60 or over and you're permanently retiring from the workforce
- you leave employment after age 60
- you're aged 65 or over
- you meet the definition of permanent incapacity stated in the Superannuation Industry (Supervision) Regulations 1994.

If you have an unrestricted non-preserved component in your benefit, you can have this paid to you as cash.

Cash payments are tax-free from age 60. Under age 60, tax may apply to your cash payments.

For more information about preservation rules and tax on cash payments, see the Super Savings Accumulation Guide, available at art.com.au/iag

Any lump sum benefit can be:

- Taken in cash (if you qualify under the preservation rules),
- If eligible, taken as a Lifetime Pension
- Paid to you as an income stream from a Super Savings Income account (if you qualify under the preservation rules),
- Transferred to a Super Savings Accumulation account, or
- Paid to another fund.

For information on the preservation rules and how your benefit may be taxed refer to the Super Savings Accumulation Guide, available at art.com.au/iag

6. Early release of your Defined Benefit

Your super can generally be accessed when you permanently retire or stop working after age 60 or from age 65 (earlier access is allowed in limited circumstances). Under Superannuation Law, there are certain circumstances where you are permitted the early release of your benefit.

If you satisfy the requirements under Superannuation Law for the early release of your Defined Benefit, the Trustee will adjust your benefits in the Fund accordingly and your payment will be made.

For more details, or to request the release of your superannuation benefits under special circumstances, visit art.com.au/early-access or contact us.

7. Election to convert to accumulation

You may request at any time to convert your defined benefit to an accumulation benefit.

For more information on this, please call **13 11 84**.

8. Your Death Benefit

This section outlines what happens to your Death Benefit if you die before you become entitled to a Retirement Benefit. For detailed information on how your Death Benefit is calculated, refer to the Appendix relevant to your category of membership.

Once we receive formal notification of your death, your Defined Death Benefit will be transferred to an Accumulation account. This account will be invested in the Cash investment option from the date of your death until the Trustee finalises payment of your Death Benefit.

It's important to note that your Death Benefit will be subject to investment returns from the date of your death. Changes in the daily unit price mean the value of your benefit will change on a daily basis.

Additional Death Benefit

Australian Retirement Trust doesn't offer funeral cover. If you had funeral cover within the Former Fund and are under the age of 70, an additional \$15,000 Fixed cover amount will be added to your Death Benefit with Australian Retirement Trust. This Additional Death Benefit is only payable if you are under age 70 and employed by IAG or a participating employer at the time of your death.

Who receives my Death Benefit?

In the unfortunate event of your death, the Trustee of Australian Retirement Trust is required to pay your Death Benefit to eligible beneficiaries, or where there are no eligible beneficiaries, to any person who has a fair claim. You can complete either a:

- binding death benefit nomination – which "binds the Trustee to pay your death benefit to the nominated beneficiary(ies). Nominating beneficiaries ensures the Trustee of Australian Retirement Trust is aware of your wishes. If you do not nominate beneficiaries or your nomination is invalid, the Trustee will look for eligible beneficiaries to receive your death benefit. There may be taxation implications arising out of the choice you make. You should read the material on tax and discuss the implications with your financial adviser, or
- preferred beneficiary nomination – Which acts as a guide for the Trustee in deciding how to pay your death benefit.

Refer to the Super Savings Accumulation Guide for more information.

What happens if you are terminally ill?

In relation to insurance benefits, Terminal Illness means that you are suffering from a sickness or injury that is likely to result in your death within 12 months. If you are under age 65 and at the date of certification have a Death Benefit, subject to providing all the required documentation to support your claim and approval by the Trustee and Insurer, which includes certification of the Terminal Illness by the two Doctors (as defined in the Definitions section), you will be paid a Terminal Illness benefit.

The benefit paid is the amount of your Additional Accumulation account balance, less the Offset Account (if any) plus the amount of your Death Benefit in force at the most recent certification (subject to a maximum insured component of \$3,000,000).

The Terminal Illness benefit becomes payable on the date of the latest written certification by a Medical Practitioner which the insurer accepts as evidence of Terminal Illness.

Where the Terminal Illness benefit is less than the death benefit, the death benefit otherwise payable will be reduced by the amount of the Terminal Illness benefit paid. The remaining amount of Death cover (if any) is then your total Death cover, less the amount of insurance paid by the insurer on account of the Terminal Illness benefit. Your beneficiaries will then receive this in the event of your death.

If there is no insurance component of your defined Death Benefit, subject to meeting the definition of Terminal Medical Condition (defined in superannuation law), the Trustee may pay you your Death Benefit calculated as described in this Handbook.

Grief Support

If you are diagnosed with a Terminal Illness, the insurer will offer you and your immediate family members access to their Grief Support Program.

9. Death and Total & Permanent Disablement Benefit conditions & exclusions

Automatic Acceptance Limits

If you're an eligible employee, you will automatically receive Death and Total and Permanent disablement/disability benefits. Benefits differ depending on the Defined Benefit category applicable to you. Refer to the relevant Appendix in this Handbook, for further details regarding your category arrangements.

The maximum amount of automatic insurance cover is limited to \$2,000,000. This is known as the Automatic Acceptance Limit (AAL). Australian Retirement Trust will let you know what is required if your cover is over the AAL.

When do Death and Total & Permanent Disability insurance benefits stop?

Benefits will stop when:

- you turn 65 for a Defined Benefit Death benefit,
- you turn 70 for a Defined Benefit Additional Death benefit,
- you turn 65 for a Defined Benefit Total & Permanent Disability benefit,
- you die,
- you receive a Total & Permanent Disability insurance benefit,
- you are paid a Terminal Illness benefit, which is not less than the amount of the Death benefit.
- you withdraw all monies from Australian Retirement Trust,
- the policy issued to the Trustee is cancelled or terminated for any reason,
- the date you commence active service with the armed forces of any country (except where you are a member of the Australian Defence Force Reserves, in which case, cover for all benefits will cease only when the Reservist becomes the subject of a call-out order under the *Defence Act 1903* (Cth)),
- you are on approved paid or Unpaid Leave (including Parental leave) for a period of greater than 24 months,
- you are no longer an Australian Resident, or you become ineligible to work in Australia (whether that is because you no longer hold a Visa or for any other reason), or
- you permanently depart Australia.

General exclusions for Death and Total & Permanent Disablement Benefit cover

- active military service

The insurer will not pay a benefit if the event giving rise to the claim is caused directly or indirectly, wholly or partially:

- by war, or an act of war, occurring in Australia or New Zealand,
- by you engaging in war service.

This exclusion means that a benefit may not be paid under the policy in respect of an insured member who dies in war service.

War includes, but is not limited to, declared war and armed aggression by one or more countries resisted by any country, combination of countries or international organisations.

War service includes but is not limited to, participation in an action to defend a country or region from civil disturbance or insurrection, or in an effort to maintain peace in a country or region.

10. Income Protection Benefit

This benefit provides a monthly income after you have been absent from work while you are totally but temporarily disabled. To be eligible for this benefit you must be under age 65 and a permanent employee of IAG or a participating employer and working 14 hours or more per week.

If you become Totally Disabled you will receive a replacement monthly income for a Benefit Period of up to 2 years.

For details on the percentage of Salary payable and the Waiting Period applicable for your Defined Benefit category please refer to the relevant Appendix later in this guide.

Waiting Period and Benefit Period

The Waiting Period and Benefit Period determine when a claim payment commences and the maximum length of time a benefit is payable.

The Waiting Period is the number of continuous days which must elapse before becoming eligible to claim a benefit. The Waiting Period commences from the date a Medical Practitioner certifies you are Totally Disabled and unable to work as determined by the insurer. Benefit payments will commence when the Waiting Period ends and are paid monthly in arrears.

The Benefit Period is the maximum length of time that a claim will be paid for.

Partial Disability payments

A Partial Disability benefit is intended to cover you if you return to work at a reduced capacity, for example you go back to work on a part-time basis as a result of an injury or illness. If you have been off work due to sickness or injury during the Waiting Period, and you then return to partial work duties, you may be eligible for partial disability benefits.

A reduced monthly Income Protection benefit may be payable if you become Partially Disabled.

Where you are unable to work at full capacity due to sickness or injury, and

- you were Totally Disabled for seven (7) out of the first twelve (12) consecutive days of the Waiting Period, and
- you are continuously disabled for the remainder of the Waiting Period, and
- you are following the advice of a Medical Practitioner in relation to your illness or injury for which you are claiming, and
- you have returned to work in your usual or an alternative occupation but only in a limited capacity, and
- your monthly income is less than your Pre-Disability Salary.

The insurer will pay a partial disability monthly benefit. The benefit payable is calculated in accordance with the following formula.

$[(A - B) / A] \times C$ where:

A is your Pre-Disability Salary

B is the monthly income you received, or were capable of earning, for the month in which you are Partially Disabled. If you are not working to your assessed capacity then 'B' will be the amount you could expect to earn if you were. When the insurer assesses capacity, consideration will be given to medical evidence, and other factors related to your condition.

C is the Monthly Benefit

The Partial Disability benefit begins to accrue if you are Partially Disabled and the Waiting Period has ended.

Total Disability payments

The insurer will pay you a monthly benefit during the Benefit Period when you are Totally Disabled for longer than the Waiting Period. To be eligible for the Total Disability benefit, you must have been unable to work due to sickness or injury, and

- be Totally Disabled for seven (7) out of the first twelve (12) consecutive days of the Waiting Period, and
- be continuously disabled for the remainder of the Waiting Period, and
- you are following the advice of a Medical Practitioner in relation to your illness or injury for which you are claiming, and
- at the expiry of the Waiting Period, be Totally Disabled.

Occupational rehabilitation support

The insurer provides a range of rehabilitation support services that are tailored to suit your individual return-to-work goals.

The insurer's rehabilitation team takes a holistic and collaborative approach to support you with your recovery and work goals.

The insurer's rehabilitation team has qualifications in rehabilitation counselling, pain management and health and exercise physiology.

The services listed may be offered to those members who are suitable to undergo a rehabilitation program:

Initial needs assessment

This assessment helps the insurer to identify and access the right type of rehabilitation services for you through exploration of medical and vocational factors.

Gradually build up the member's work capacity and endurance

The insurer will work with you and your employer (if applicable) to develop a Return to Work Plan. This may involve reduced hours and duties which are gradually increased as your condition improves. Workstation modifications and aids may also make returning to work easier.

Career Counselling

If you can't return to the same role, the insurer may undertake a vocational assessment of your education, employment history and transferrable skills to identify suitable alternative employment or retraining options.

Helping you prepare for job seeking

The insurer can help you build the confidence to be job-ready by assisting you with resume preparation, sourcing job leads and developing the skills for successful interviews.

Helping with work-readiness

If you are not quite ready to return to work, you may benefit from assistance with developing a daily structure, incorporating exercise, goal setting, and re-engagement in the community, as a stepping stone to returning to work.

Return to work assistance

Following lodgment of an Income Protection claim, and if you are approved by the insurer to participate in a return to work program, the insurer may pay some or all of the expenses incurred for participation in that program. The insurer will pay directly to the appropriate service provider and only where the program expenses have been approved by the insurer. Such payments will be made directly by the insurer to a service provider. Any payment made under this section will be made at the insurer's discretion.

Workplace modification assistance

If you are receiving Income Protection benefit payments and the insurer agrees that your place of employment requires modification in order to assist you in returning to work, the insurer may pay all or some of the modification expenses to a service provider. The maximum payment is three times your monthly disability benefit, and any payments will be made at the insurer's discretion. A payment may only be made once.

Bereavement Benefit

If you die or are diagnosed with a Terminal Illness, the insurer will pay three times the monthly benefit as a lump sum, subject to a maximum of \$60,000.

Only one Bereavement Benefit will be payable.

If a Bereavement Benefit for Terminal Illness is paid, it will not also be paid upon your death. This benefit is in addition to any other benefits payable while you are on an Income Protection claim.

Grief Support

If you are diagnosed with a Terminal Illness, the insurer will offer you and your immediate family members access to their Grief Support Program.

Early Notification Incentive Benefit

Where the insurer accepts a claim for a Total Disability benefit or Partial Disability benefit, the insurer will pay you the Early Notification Incentive Benefit if you, no later than 30 days after the occurrence of the event giving rise to a claim:

- notify Australian Retirement Trust of your intention to make a claim, and
- provide the insurer with the information they require to establish the occurrence of the event giving rise to the claim.

The Early Notification Incentive Benefit that the insurer will pay you is 25% of the amount payable for your disability for the first month (or if this is for less than one month, a pro-rata amount for each day you are disabled).

This benefit only becomes payable at the expiration of the Waiting Period.

When does Income Protection cover stop?

Income Protection cover stops when:

- you cease employment with your employer,
- you turn 65,
- you die,
- you cancel the cover,
- you withdraw all monies from Australian Retirement Trust,
- you are no longer working for at least 14 hours per week with your employer, or you no longer satisfy the eligibility conditions for Income Protection cover,
- you are on approved paid or Unpaid Leave (including Parental leave) for a period of greater than 24 months,
- you cease employment with your Australian based employer while overseas,
- you are employed overseas for longer than the insurer has agreed to provide cover for, generally three years unless otherwise agreed,
- the policy issued to the Trustee is cancelled or terminated for any reason,
- the date you commence active service with the armed forces of any country (except where you are a member of the Australian Defence Force Reserves, in which case, cover for all benefits will cease only when the Reservist becomes the subject of a call-out order under the *Defence Act 1903* (Cth)),
- if you are not an Australian Resident, the date you no longer permanently reside in Australia, or the date you become ineligible to work in Australia (whether that is because you no longer hold a Visa or for any other reason), or
- the date you permanently retire.

When we won't pay a benefit

It is important to understand in what circumstances an Income Protection benefit is not payable. A benefit won't be paid if the sickness or injury is caused, wholly or partly, directly or indirectly, from:

- intentional self-inflicted act,
- you engaging in illicit drug use,
- uncomplicated pregnancy or childbirth,
- war, or act of war, in Australia, New Zealand or your country of residence,
- you engaging in war service, or
- any other exclusions that have been imposed by the insurer.

The insurer may also reduce or refuse to pay benefits where:

- your sickness or injury arises directly or indirectly from your participation in a criminal activity,
- you are imprisoned or on remand in a correctional or rehabilitation facility,
- you unreasonably refuse to actively participate in a rehabilitation program that you have the capacity to undertake as approved by your Medical Practitioner,

- you unreasonably refuse to undergo medical treatment (including rehabilitation) to treat your condition as recommended by your Medical Practitioner,
- you do not comply with the insurer's reasonable claim requirements, or
- your reduced income or inability to work is caused by anything other than sickness or injury. For example, the insurer won't pay a benefit if your professional qualification is restricted or revoked due to misconduct or if your employer stops trading.

Will there be offsets to my benefit payment?

There are some circumstances when the insurer limits the amount they pay under a Totally Disability benefit or Partial Disability benefit.

Your Income Protection benefit payment may be reduced by amounts payable (including settlement* or commutation amounts):

- by way of a statutory scheme, or a compulsory insurance scheme, that pays amounts for, or calculated by reference to, loss of income or earning capacity (including amounts for past or future economic loss). Examples of such schemes include workers' compensation and compulsory third-party motor vehicle insurance,
- in respect of, or calculated by reference to, loss of income or earning capacity (including amounts for past or future economic loss), whether the amount is payable under legislation or otherwise,
- by way of damages under common law, in respect of, or calculated by reference to, loss of income or earning capacity (including amounts for past or future economic loss),
- in respect of, or calculated by reference to, any paid parental leave, where you suffer disability during a period of parental leave,
- for the purpose of income or expense replacement, or covering the financial obligations that you have to other parties, under any other disability, injury or illness insurance policy.

If a lump sum payment is received, where all or a part of that lump sum cannot be allocated to specific months, we will convert the lump sum or part of the lump sum (as relevant) to income on the basis of 1% for each month that we pay the monthly benefit, for a maximum of eight years. The balance of the lump sum, if any, will not be offset.

Your Income Protection benefit payment will not be reduced by amounts payable for, or calculated by reference to:

- Disability Support Pension payable by Centrelink or its successors,
- sick leave,
- annual leave,
- redundancy payments,
- long service leave entitlements,
- investment income, and
- total and permanent disability benefits, trauma benefits or terminal illness benefits.

* To avoid doubt, settlement amounts include but are not limited to settlements made out of court in respect of legal proceedings or contemplated legal proceedings.

What happens if I return to work during the Waiting Period?

During the Waiting Period, you may return to work once to perform the normal duties and hours of your occupation, for up to five consecutive days, without having to recommence the Waiting Period. If this happens, the insurer will add the number of days of work to the Waiting Period.

If you return to work, performing the normal duties of your occupation during the Waiting Period, on more than one occasion, the Waiting Period starts again.

Recurrent event

If you were previously on claim ('Original Claim') and the Original Claim ceased because you were no longer disabled, and another claim is made in respect of the same or related illness or injury ('Recurrent Claim'), the insurer will treat the Recurrent Claim as a continuation of the Original Claim and the Waiting Period is waived subject to all of the following conditions:

- you became disabled as a result of the same or related illness or injury within six months of the Original Claim ending, and
- cover is still in force.

The insurer will consider you are suffering from a separate injury or illness and a new Waiting Period and *Benefit Period* will apply if the Recurrent Claim is made after the expiration of six months since the Original Claim ceased.

Concurrent event

The insurer will pay one monthly benefit at a time, even if you suffer more than one illness or injury. This applies to *Total Disability* and *Partial Disability*.

When does payment of the Benefit stop?

Benefit payments start after the Waiting Period, and will cease upon the earliest of any of the following events:

- you no longer satisfy the definition of Total Disability or Partial Disability, as assessed by the insurer,
- the end of the benefit payment period,
- for a Partial Disability benefit, the date you earn, or become capable of earning, a monthly salary equal to or greater than your Pre-Disability Salary,
- you being employed under a Visa and the term of the Visa expiring or you permanently depart Australia (whichever is earlier),
- you are no longer under the care of, and or complying with the reasonable advice given by a Medical Practitioner,
- you reaching age 65,
- the date you have been receiving benefits for longer than 12 consecutive months while residing outside Australia, or
- your death.

The benefit will be paid even if the insurer assesses you to be totally and permanently disabled. Providing you were an insured member at the time you finished work due to the sickness or injury that gave rise to a claim, monthly income benefits will be payable or continue to be paid provided you continue to be eligible to receive a benefit, regardless of whether you continue to be a member of Australian Retirement Trust.

11. What happens to my death and disability benefits if I leave my employer?

When we are told you have left your employer your membership in the IAG Superannuation Plan will cease as well as any special arrangements.

Shortly after Australian Retirement Trust receives notification we will contact you to advise you of your options:

- If you are a Category A - Ex-NRMA or Category B - Ex-RACV member and elect to transfer your benefit to a Super Savings Accumulation account, any Defined Benefit Death benefit, Additional Death cover and/or Defined Benefit Total & Permanent Disablement benefit you had will continue in the Ex-IAG & NRMA Superannuation Plan as Tailored Death and/or Total & Permanent Disability cover on a Fixed cover basis. This means your amount of insurance stays the same, but your premiums will generally increase as you get older.
- Your insurance premiums, insurance fee and Administration fees will alter from the amounts you were paying in the IAG Superannuation Plan and will become payable in full by you. Any changes to your insurance will be backdated to the effective date of transfer. You must contact us if you do not want your Death and/or Total & Permanent Disablement benefits to continue in the Ex-IAG & NRMA Superannuation Plan.
- Your Death cover in the Ex-IAG & NRMA Superannuation Plan will be calculated as the difference between your lump sum Defined Death Benefit and your Leaving Service benefit at your resignation date.
- Your Total & Permanent Disablement cover in the Ex-IAG & NRMA Superannuation Plan will be calculated as the difference between your lump sum Total & Permanent Disablement Benefit and your Leaving Service benefit at your resignation date.
- Any Permanent Disablement (other than Total & Permanent Disablement) Benefit will cease.
- If you have left your employer as a result of illness or injury, Limited Cover will apply from the date of transfer until you have been At Work for 30 consecutive days.
- The terms and conditions will change from those detailed in the Defined Benefit Handbook.
- If you already have a Super Savings Accumulation account, this account will move to the Ex-IAG & NRMA Superannuation Plan and your cover will be replaced by the higher of your existing Super Savings - Corporate Defined Benefit cover and the cover provided under your IAG Superannuation Plan account.

The replacement of cover will take effect the date you cease employment with your employer.

Your Income Protection cover will cease.

Your Income Protection cover may be able to be reinstated without evidence of health if:

- You return to permanent employment and work at least 15 hours per week,
- You apply for reinstatement within 60 days of us being notified of you leaving your employer,
- You have not left your employer as a result of illness or injury,
- You supply us proof of your new employment and occupational status, and
- You complete the Income Protection transfer application form, available at art.com.au/insuranceforms

Upon acceptance by the insurer, your Income Protection cover will be reinstated with the same Benefit Period applied and no increase in cover. Your Waiting Period will be 84 days. If you have not applied within 60 days, you will need to reapply for Income Protection cover and evidence of health will be required.

To be eligible to continue your Death and Total & Permanent Disablement/disability cover you must ensure regular contributions will be paid into your the Ex-IAG & NRMA Superannuation Plan Accumulation account.

You must let us know if you wish to cancel your cover.

Visit art.com.au/iagnrma for a copy of the Super Savings - Corporate PDS for Ex-IAG & NRMA Superannuation Plan.

12. Other terms and conditions

Choice of Fund and Portability

You may instruct your employer to pay your super contributions to another fund. If a Defined Benefit member makes such an election, their Defined Benefits will be affected. Before making such an election, you should contact us on **13 11 84** to understand the impact that such a decision will have on your benefits.

You can transfer your Additional Accumulation account from the IAG Superannuation Plan to another superannuation fund at any time.

Membership during periods of Leave without pay (LWOP)

Your employer may approve a period of LWOP. During the agreed period of LWOP your Fund Multiple will not continue to accrue for the period.

- Your Salary will be the last advised salary prior to taking leave.
- Upon returning to employment, your benefit will then continue to accrue as described in this Handbook.

In general, any insurance cover that formed part of your death or disablement benefits as at the start date of your leave will continue for up to 24 months from the commencement of employer Approved Leave of absence or parental leave by you, provided you continue to be eligible for cover during that period. If you have not returned to work prior to the expiry of the 24 month period your cover will cease. For further details on how LWOP may impact your insurance cover please refer to section Overseas travel and unpaid leave.

Duty of Disclosure

When you apply for life insurance as a member of Australian Retirement Trust, the insurer may conduct a process called underwriting. It's how the insurer decides whether it will cover you, and if so on what terms and at what cost. If your application is underwritten, you will be asked questions which the insurer needs to know the answers to. These will be about your personal circumstances and may include questions about your health and medical history, occupation, income, lifestyle, pastimes, and current and past insurance. The information you provide in response to the questions is vital to the insurer's decision.

The duty to take reasonable care

When applying for insurance which is to be underwritten, you have a legal duty to take reasonable care not to make a misrepresentation before your application is accepted by the insurer. A misrepresentation is a false answer, an answer that is only partially true, or an answer which does not fairly reflect the truth. This duty also applies when extending or making changes to existing insurance, and reinstating insurance.

If you do not meet your duty

If you do not meet your legal duty, this can have serious impacts on your insurance. Your cover could be avoided (treated as if it never existed), or its terms may be changed. This may also result in a claim being declined or a benefit being reduced. Please note that there may be circumstances where the insurer later investigates whether the information you provided was true. For example, the insurer may do this when a claim is made.

Guidance for answering questions

When answering questions as part of an application for insurance cover, you should:

- Think carefully about each question before you answer. If you are unsure of the meaning of any question, please ask us or the insurer before you respond.
- Answer every question.
- Answer truthfully, accurately and completely.
- If you are unsure about whether you should include information or not, you should include it.
- Review your application carefully before it is submitted. If someone else helped prepare your application (for example, your adviser), you should check every answer (and if necessary, make any corrections) before the application is submitted.
- You must not assume that Australian Retirement Trust or the insurer will contact your doctor for any medical information.

Changes before your cover starts

Before your application is accepted, the insurer may ask about any changes that mean you would now answer the questions differently. As any changes might require further assessment or investigation, it could save time if you let us or the insurer know about any changes when they happen.

If you need help

It's important that you understand this information and the questions that you are asked. Ask us or the insurer for help if you have difficulty understanding the process of applying for insurance or answering our or the insurer's questions. If you're having difficulty due to a disability, understanding English or for any other reason, we are here to help and can provide additional support for anyone who might need it.

What can the insurer do if the duty is not met?

If you do not take reasonable care not to make a misrepresentation, there are different remedies that may be available to the insurer. These are set out in the Insurance Contracts Act 1984 (Cth). These are intended to put the insurer in the position they would have been in if the duty had been met.

For example, the insurer may:

- Avoid the cover (treat it as if it never existed);
- vary the amount of the cover; or
- vary the terms of the cover.

Whether the insurer can exercise one of these remedies depends on a number of factors, including:

- Whether you took reasonable care not to make a misrepresentation (this depends on all of the relevant circumstances);
- what the insurer would have done if the duty had been met – for example, whether they would have offered cover, and if so, on what terms;
- whether the misrepresentation was fraudulent; and
- in some cases, how long it has been since the cover started.

Before the insurer exercises any of these remedies, they will explain their reasons, how to respond and provide further information, including what you can do if you disagree.

Family Law offsets

In the case where a benefit payment involves a Payment Split as required under the Family Law Act, the Trustee may be required to reduce the amount of your benefit to account for any entitlements to your Spouse or former Spouse.

Financial Advice

Working out how much insurance is right for you can be a difficult task. The amount of insurance you need will depend on a combination of things such as your liabilities, assets, ongoing expenses and your expected standard of living.

Speak to your adviser or contact Australian Retirement Trust. You can find out more about financial advice options at art.com.au/advice or by calling us on **13 11 84**.

Overseas travel and approved leave

What happens during approved Paid Leave, Unpaid Leave or parental leave?

If you are on approved paid or Unpaid Leave (including Parental leave) for a period of greater than 24 months your cover will cease. If cover is required beyond 24 months, an application in writing is required prior to the expiration of the 24 months and is subject to insurer approval.

If you become Totally Disabled while cover is being provided during a period of leave, the Waiting Period for an Income Protection benefit will commence on the Date of Disability.

What happens if you travel overseas on paid leave?

Where you travel overseas while on paid leave from your Australian-based employer (or an international subsidiary or associated company of your Australian employer), your cover continues with no travel restrictions.

If you become disabled, or are claiming, a terminal illness or Total & Permanent Disability benefit whilst overseas you may be required to return to Australia, at your own expense, for assessment, and if you refuse to do so, the insurer may refuse to pay a benefit.

If you continue to meet the eligibility conditions, the maximum 24 month limitation applies and cover will stop after 24 months. If cover is required beyond 24 months, an application in writing is required prior to the expiration of the 24 months and is subject to insurer approval.

For Australian or New Zealand citizens, your Death, Total & Permanent Disability and Income Protection cover will stop after 24 months. If cover is required beyond 24 months, an application in writing is required prior to the expiration of the 24 months.

What happens if you temporarily reside overseas?

If you are an Australian or New Zealand citizen, your cover will continue while you temporarily reside overseas as long as you remain in the Active Employment of your Australian-based employer (or an international subsidiary or associated company of your Australian employer). If you become disabled while based overseas you may, at your own expense be required to return to Australia for assessment of any disability claim.

What happens if you are Employed under the terms of a work Visa?

Employees employed under the terms of a Visa are eligible for Standard insurance cover and may apply for Additional cover.

If you are not an Australian Resident and hold a Visa, you will be covered for up to three years while working overseas for IAG, if such working arrangement is available. If cover is required beyond three years, an application in writing is required prior to the expiration of the three years. The insurer may accept or decline the application at their sole discretion.

Income Protection cover whilst temporarily residing overseas

If you are an Australian Resident and working outside Australia for your employer you will be covered under the policy while you are working outside Australia.

If you are not an Australian Resident but hold a Visa, you will be covered for up to three years while working outside Australia for your employer. If cover is required beyond three years, an application in writing is required prior to the expiration of the three years. The insurer may accept or decline the application at their sole discretion.

Overseas travel

If you (including a non-Australian resident) are travelling outside Australia during periods of paid or Unpaid leave cover will continue to be provided.

If you travel or reside overseas for a period in excess of 12 months whilst on claim, payment of any benefits by the insurer will cease. If you return to permanently reside in Australia and provide the insurer with satisfactory evidence of your continuous disablement, the insurer may at their discretion, recommence benefit payments.

If the insurer recommences benefit payments, the insurer will not make any payment in respect of a period where you were not entitled to benefits in accordance with this clause.

13. Super Savings Income accounts

When can I set up a Super Savings Income account?

If you are entitled to receive a lump sum benefit, you can choose to set up a Super Savings Income account, if you qualify under the preservation rules. You may be able to either set up a Retirement income account or a Transition to retirement income account, depending on your age and circumstances.

If you are still working for your employer, you can also set up an Income account with your Additional Accumulation account, or part of that account, if you qualify under the preservation rules.

More information on Income accounts can be found in the Super Savings Product Disclosure Statement for Income Account and Lifetime Pension.

An Income account provides an account based pension.

Cooling Off Period

If you set up an Income account, a 14-day cooling off period applies from the earlier of:

- The date of the confirmation advice of the commencement of the Income account, or
- 5 days after the commencement of the payment of the Income account.

During this period, you may write to the Trustee revoking the choice to commence an Income account and instead elect to receive your Defined Benefit as a lump sum.

For more information, contact us on **13 11 84**.

14. About death and disablement claims

Let us help you

At Australian Retirement Trust, we understand that making a claim can sometimes be a stressful and difficult process. We understand that the circumstances of every claim are as different as the individuals making them.

To help you and your family through this difficult time, we have experienced Claims Representatives that can assist and guide you through the claims process from start to finish.

All our Claims Representatives are trained to understand and explain our claims process. Once you make the initial contact with us to commence a claim, you will be assigned an individual Claims Representative to help you through the rest of the process and answer your questions.

We'll do everything in our power to ensure all eligible claims are paid as quickly as possible.

How to make a claim

While we do hope that you never need to, the following information will assist you in understanding the claim process in the event that you do need to make a claim. Any claim process will involve:

- Notification to us,
- Gathering information and providing it to us,
- Assessment of the insurance claim by the insurer,
- Assessment by the Trustee of Australian Retirement Trust, including determination of the beneficiary/s,
- Decision by the Trustee of Australian Retirement Trust, and
- Payment of the claim, if approved.

These steps do take some time, although our experienced Claims Representatives will help you at every stage of the process.

Further information may be requested at different stages of the process, and with disablement claims you may be required to undergo an examination by a Medical Practitioner or professional of the insurer's choice. The insurer will usually meet the costs associated with any additional information requests.

Death claims

It is important that in the event of your death, Australian Retirement Trust is notified by a relative or legal personal representative to enable the claims process to begin. Once we receive formal notification of your death, your Defined Benefit will be transferred to an accumulation account. This account will be invested in the Cash investment option and will remain invested there until the Trustee finalises payment of your death benefit.

It's important to note that if your Defined Benefit is paid as a lump sum, this will be subject to investment returns from the date of your death. Changes in the daily unit price mean the value of your benefit will change on a daily basis.

Total & Permanent Disablement, Permanent disablement (other than Total & Permanent Disablement) and Income protection claims

Australian Retirement Trust should be notified as soon as reasonably possible after an event that is likely to give rise to a disablement or income protection claim.

Claims after your cover has stopped

If an event occurs before the date your cover stops or is terminated, and that event entitles you to make an insurance claim, you may still be eligible for that payment even after your cover has stopped.

If your claim is declined

If your claim for a benefit that includes an insured component and is declined by the Insurer your claim will be referred to the Trustee of Australian Retirement Trust for review and consideration.

If the Trustee of Australian Retirement Trust declines your claim and you disagree with this decision you can either:

- lodge a complaint, with Australian Retirement Trust. Your complaint will be investigated, and if the decision to decline your claim is confirmed by the Fund, you can refer your complaint to the Australian Financial Complaints Authority (AFCA), or
- lodge a complaint directly with AFCA, however AFCA may refer your complaint back to Australian Retirement Trust.

There are time limits on when you can make a complaint to AFCA about a Total and Permanent Disability claim. Call AFCA on 1800 931 678 or visit their website www.afca.org.au for more information about these time limits.

AFCA's contact details are as follows:

Australian Financial Complaints Authority
GPO Box 3 Melbourne VIC 3001
Call: 1800 931 678
Email: info@afca.org.au
Web: www.afca.org.au

Claim investigation

If you make a claim, the Insurer reserves the right to investigate the claim including but not limited to conducting surveillance and requesting information and medical examinations.

Incorrect information and eligibility for cover

If your recorded age or gender is incorrect, the insurer has the right to adjust the premium or the benefit based on the correct information. As a general rule, your eligibility for cover will not be assessed until you make a claim.

Financial advice

When you make a claim, or receive an insurance benefit, not only is it likely to be a difficult time, but it can be hard to know what your next step is. You don't need to panic and you don't need to be rushed into a course of action.

Speak to your adviser or contact Australian Retirement Trust. You can find out more about financial advice options at art.com.au/advice or by calling us on **13 11 84**.

15. Concerns and complaints



If you have a complaint related to any Australian Retirement Trust entity, including about any financial product or services we've provided, we want to know about it as soon as possible.

You can find out about our complaints process at art.com.au/complaint

16. Definitions

General and Insurance Terms

For detailed information about how your benefits are calculated refer to the Appendix relevant to your category of membership.

Approved Leave

Approved Leave means parental leave, annual leave, bereavement leave, long service leave or any other leave approved by your Employer for reasons other than related to injury or illness.

Active employment/ Actively employed

Active Employment means you are gainfully working and are:

- actively performing all the duties of your occupation, free from any limitation due to illness or injury or on leave taken for reasons unrelated to injury or illness, and
- are capable of actively performing all the duties and usual hours of your occupation free from any limitation due to illness or injury

At Work

At Work means you are:

- actively performing or capable of performing all of your normal duties, without limitation or restriction due to illness or injury, and
- working your usual hours free from any limitation due to illness or injury, and
- not in receipt of, or entitled to claim, any income support benefits from any source including workers' compensation benefits, statutory transport accident benefits and disability income benefits (including government support benefits).

Benefit Period

Benefit Period means the maximum period of time for which benefits will be paid for any one period of *Total Disability* or one period of *Total and Partial Disability*. The total claim payment period for any one illness or injury is limited to your Benefit Period.

Date of Disability - Income Protection

The Date of Disability means the first date, after ceasing working in your usual occupation, you attend a medical consultation with a *Medical Practitioner* and you are certified as having no capacity to perform one or more duties of your usual occupation necessary to produce a salary.

Date of Disablement – Total & Permanent Disablement

The Date of Disablement means:

- (i) for the Medical Conditions (Specific Illness) part of the Total & Permanent Disability definition, the first day of the waiting period during which you are unable to work solely due to an illness or injury.
- (ii) for all other parts of the Total & Permanent Disability definition, the first day that all of the elements of the definition are satisfied.

Fixed cover

Fixed cover basis means your amount of insurance cover stays the same, but your weekly premium will generally increase as you get older.

Medical Condition Definitions

Blindness

The permanent loss of sight in both eyes, whether aided or unaided, due to illness or injury to the extent that visual acuity is 6/60 or less in both eyes or to the extent that the visual field is reduced to 20 degrees or less of arc, as certified by an ophthalmologist.

Cardiomyopathy

Condition of impaired ventricular function of variable aetiology (often not determined) resulting in significant physical impairment, i.e. Class 3 on the New York Heart Association classification of cardiac impairment.

Chronic lung disease

Permanent end stage respiratory failure with FEV1 test results of consistently less than one litre requiring continuous permanent oxygen therapy.

Dementia and Alzheimer's disease

Clinical diagnosis of dementia (including Alzheimer's disease) as confirmed by a consultant neurologist, psychogeriatrician, psychiatrist or geriatrician. The diagnosis must confirm permanent irreversible failure of brain function resulting in significant cognitive impairment for which no other recognisable cause has been identified. Significant cognitive impairment means a deterioration in the person's Mini-Mental State Examination scores to 24 or less and deterioration would continue but for any effective treatment. Dementia related to alcohol, drug abuse or AIDS is excluded.

Diplegia

The total loss of function of both sides of the body due to illness or injury, where such loss of function is permanent.

Hemiplegia

The total loss of function of one side of the body due to illness or injury, where such loss of function is permanent.

Loss of hearing

Complete and irrecoverable loss of hearing, both natural and assisted, from both ears as a result of illness or injury, as certified by a specialist we consider appropriate.

Loss of speech

The total and irrecoverable loss of the ability to produce intelligible speech as a result of permanent damage to the larynx or its nerve supply or the speech centres of the brain. The loss must be certified by an appropriate medical specialist.

Major head trauma

Injury to the head resulting in neurological deficit causing either:

- a permanent loss of at least 25% whole person function (as defined in the American Medical Association publication "Guides to the Evaluation of Permanent Impairment" 4th Edition or an equivalent guide to the evaluation of impairment approved by us); or
- The permanent and irreversible inability to perform without the assistance of another person any one of the following activities of daily living:
 - dressing - the ability to put on and take off clothing;
 - toileting - the ability to use the toilet, including getting on or off;
 - mobility - the ability to get in and out of bed and a chair
 - continence - the ability to control bowel and bladder function;
 - feeding - the ability to get food from a plate into the mouth;

as certified by a consultant neurologist.

Motor neurone disease

Motor neurone disease diagnosed by a consultant neurologist.

Multiple sclerosis

The unequivocal diagnosis of multiple sclerosis as confirmed by a consultant neurologist and characterised by demyelination in the brain and spinal cord evidenced by Magnetic Resonance Imaging or other investigations acceptable to us. There must have been more than one episode of well-defined neurological deficit with persisting neurological abnormalities.

Muscular dystrophy

The unequivocal diagnosis of muscular dystrophy by a consultant neurologist.

Paraplegia

The permanent loss of use of both legs or both arms, resulting from spinal cord illness or injury.

Parkinson's disease

The unequivocal diagnosis of Parkinson's disease by a consultant neurologist where the consultant neurologist confirms that the condition:

- is the established cause of two or more of the following:
 - muscular rigidity;
 - resting tremor;
 - bradykinesia; and

has caused significant progressive physical impairment, likely to continue progressing but for any treatment benefit.

The person must be following the advice and treatment of a specialist neurologist.

Primary pulmonary hypertension

Primary Pulmonary Hypertension associated with right ventricular enlargement established by cardiac catheterisation resulting in significant permanent physical impairment to the degree of at least Class 3 of the New York Heart Association classification of cardiac impairment.

Quadriplegia

The permanent loss of use of both legs and both arms, resulting from spinal cord illness or injury.

Severe rheumatoid arthritis

The unequivocal diagnosis of severe rheumatoid arthritis by a Rheumatologist. The diagnosis must be supported by, and evidence, all of the following criteria:

- at least a six week history of severe rheumatoid arthritis which involves three or more of the following joint areas:
 - proximal interphalangeal joints in the hands;
 - metacarpophalangeal joints in the hands;
 - metatarsophalangeal joints in the foot, wrist, elbow, knee or ankle;
- simultaneous bilateral and symmetrical Joint soft tissue swelling or fluid (not bony overgrowth alone)
- typical rheumatoid joint deformity and at least two of the following criteria:
 - morning stiffness;
 - rheumatoid nodules;
 - erosions seen on X-ray imaging;
 - the presence of either a positive rheumatoid factor or the serological markers consistent with the diagnosis of severe rheumatoid arthritis.

Degenerative osteoarthritis and all other arthritides are excluded.

Tetraplegia

The total and permanent loss of use of both arms and both legs, together with loss of head movement, due to brain illness or spinal cord illness or injury.

Medical Practitioner

Medical Practitioner means one of the following:

- a Medical Practitioner legally registered to practise in Australia,
- a Medical Practitioner legally registered to practise in another country who has equivalent qualification to a medical practitioner legally registered to practise in Australia.

Medical Practitioner generally includes your general practitioner and any treating specialists involved in diagnosis and management of your condition. For mental health claims, it can include a treating psychiatrist.

Medical Practitioner does not include:

- you, your spouse, relative, business partner, employer or employee,
- other para-medical professionals including (but not limited to) psychologists, chiropractors, physiotherapists, optometrist or naturopaths.

Specialist Medical Practitioner means a medical practitioner who is a specialist practising in the relevant medical field of your illness or injury.

Permanent Incapacity

Permanent Incapacity is defined in the *Superannuation Industry (Supervision) Regulations 1994* (Cth). A member of a superannuation fund is taken to be suffering permanent incapacity if the trustee of the fund is reasonably satisfied that the member's ill-health (whether physical or mental) makes it unlikely that the member will engage in gainful employment for which the member is reasonably qualified by education, training or experience.

Pre-Disability Salary

Pre-Disability Salary means the higher of the gross monthly Salary you earned at the Date of Disability or an average of the gross monthly income earned by you over the three months immediately prior to the Date of Disability.

Salary

Salary - for insurance purposes Salary means total value of your salary package (excluding employer superannuation contributions). It includes tool of trade car allowance, regular shift allowance and district allowance but excludes any other bonus, overtime, commission, incentive, reimbursement of expenses, or any other special payment, and excluding the value of employer superannuation contributions on any of them.

Terminal Illness

Terminal Illness means an illness or injury where all of the following a, b, c, d and e are satisfied:

- a. two Medical Practitioners certify in writing ('written certification') that you are suffering from an illness or have incurred an injury that, despite reasonable medical treatment, is likely to result in your death within 12 months from the date of written certification ('certification period'),

- b. the insurer is satisfied from medical or other evidence that you will likely, despite reasonable medical treatment, die from the illness or injury within the certification period,
- c. at least one of the Medical Practitioners is a Specialist Medical Practitioner,
- d. for each written certification, the certification period has not ended, and
- e. the written certification by both Medical Practitioners must be dated during the period you are covered for Death cover under the policy.

The benefit the insurance policy pays out is termed as a Terminal Illness benefit.

Terminal Medical Condition

Terminal Medical Condition is a condition of release under the *Superannuation Industry (Supervision) Regulations 1994* (Cth). For more information refer to the Super Savings Accumulation Guide.

Unpaid Leave

Unpaid Leave means leave (not being cessation of employment) without pay from your employer. This leave must be:

- (i) approved by your employer or authorised by:
 - (a) the Commonwealth, a State or a Territory, or
 - (b) a certified agreement or award made by a tribunal or body having the authority to do so under the law of the Commonwealth, a State or a Territory.
- (ii) in relation to which you have a statutory or contractual right to resume employment at the end of the leave, and
- (iii) in relation to which you are not being paid by the employer.

Unpaid Leave excludes leave:

- (i) that is due to your illness or injury, or
- (ii) during which you receive or are entitled to receive:
 - (a) income benefits, or
 - (b) disability income benefits, or
 - (c) social security sickness benefits, or
- (iii) due to strike or lockout.

Waiting Period

The Waiting Period is the number of continuous days which you must remain off work due to an illness or injury before the Total Disability benefit or Partial Disability benefit is payable. The Waiting Period commences from the Date of Disability in relation to an injury or sickness that gave rise to a claim and by reason of which you ceased work, as certified by a Medical Practitioner.

Definitions

– Income Protection

Total Disability or Totally Disabled

Total Disability/Totally Disabled means that, as a direct result of illness or injury, you are:

- (i) medically certified as being incapable of performing one or more duties of your occupation necessary to produce a Salary,
- (ii) not engaged in any occupation, and
- (iii) following the advice of a Medical Practitioner in relation to the illness or injury for which you are claiming.

You won't be considered unable to perform a duty of their usual occupation if you refuse to accept:

- any reasonable omission, modification or substitution of that duty, or
- the use of any appropriate assistive aids that would enable you to perform that duty.

Partial Disability or Partially Disabled

Partial Disability/Partially Disabled means solely as a result of illness or injury, you are:

- capable of performing your usual occupation in a reduced capacity, and only have capacity to earn a monthly income that is less than your monthly Pre-Disability Salary, or
- incapable of performing one or more duties of your usual occupation necessary to produce Pre-Disability Salary, gainfully working and receiving monthly income that is less than you monthly Pre-Disability Salary, and
- following the advice of a Medical Practitioner in relation to your illness or injury for which you are claiming.

You will be considered capable of performing your usual occupation in a reduced capacity even if such work is not made available to you.

APPENDIX A: Category A – Ex-NRMA

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1. Contributions

Member contributions to your Defined Benefit

Your rate of member contributions directly impacts the value of your Defined Benefit. Unless you instruct your employer's payroll otherwise, you will pay contributions from your salary at the same rate as you did in the Former Fund immediately before transferring to the IAG Superannuation Plan.

You may choose to pay more or less than this current rate. The standard Contribution Rate Options available are 0%, 3%, and 5%. Separate Member Accounts are maintained for each option.

You can pay your contributions by after tax contributions or, with your employer's agreement, you can pay the contributions by salary sacrifice.

You can change your rate of contributions as agreed with your payroll.

If contributions at the Contribution Rate Option you have nominated are not paid when required, special terms, conditions or restrictions may be applicable to your membership. Such conditions may include reducing or adjusting your benefits, or no longer accepting any further contributions from you.

The contributions you make at your elected Contribution Rate Option from time to time determine your Accrued Benefit Multiple.

Your Accrued Benefit Multiple is calculated in accordance with the following formula:

Your Fund Multiple plus your Former Fund Multiple.

Example

Lachlan was a continuous member of the Former Fund for 19 years and the IAG Superannuation Plan for 1 year, which is a combined membership of 20 years. Of those 20 years, his rate of Member contributions in the Former Fund was 3% for 14 years and 5% for 5 years, and 5% for 1 year in the IAG Superannuation Plan.

Using the above formula Lachlan's Accrued Benefit Multiple is calculated as:

Former Fund Multiple _____
advised as
3.15 (14 years x 15% + 5 years x 21%)

Fund Multiple is 1 year x 21% = 0.21

Accrued Benefit Multiple is 3.15 + 0.21 = 3.36

Fund Multiple

Your Fund Multiple in the IAG Superannuation Plan is calculated as your accrual rate, multiplied by the number of years of full-time membership of the Plan (including part years measured as complete months) at one or more of the contribution rates. Your period of membership is adjusted for periods of part-time employment.

The accrual rate for each Contribution Rate Option is shown below:

Contribution Rate	Accrual Rate
0%	10%
3%	15%
5%	21%

Your Former Fund Multiple will be as advised by the Former Fund Trustee.

Employer contributions to your Defined Benefit

Employer Accumulation account

If you do not make Member contributions, this account accumulates the minimum contribution required by the Government's Superannuation Guarantee, less an allowance for tax.

If you make 3% or 5% member contributions, this account accumulates the equivalent of 3% of your salary each year, less an allowance for tax.

The balance of the Employer Accumulation account also receives investment earnings based on the IAG Defined Benefit Investment Option.

2. Your Benefits

Retirement Benefit

When you retire from employment with IAG or one of the participating employers in the Plan on or after age 55 you will be entitled to your Retirement Benefit. Note that you will only be able to take your benefit as cash if you qualify under the preservation rules. See Receiving benefits in cash in this Handbook for more information.

Amount of lump sum Retirement Benefit

If you retire on or before your 70th birthday, the lump sum payable will be equal to your Accrued Retirement Benefit as at the date of retirement, less your Offset account (if any) plus your Additional Accumulation account.

If you retire after the age of 70, the lump sum will be equal to your Accrued Retirement Benefit calculated as at your 70th birthday together with investment earnings based on the IAG Defined Benefit Investment Option for the period of membership after your 70th birthday, less your Offset account (if any) plus your Additional Accumulation account.

Your Retirement Benefit is also subject to a minimum of your Resignation Benefit.

Your Accrued Retirement Benefit is your Accrued Benefit Multiple x your Final Average Salary

Your Final Average Salary (FAS) is the average of your three highest Plan Salaries (effective 1 October each year) within the previous five years.

Example

Lachlan has an Accrued Benefit Multiple of 3.36. If he has a Final Average Salary of \$80,000 then:

Accrued Retirement Benefit
= 3.36 x \$80,000 = \$268,800

Lachlan's total Retirement Benefit would be his Accrued Retirement Benefit less his Offset account (if any) plus his Additional Accumulation account.

Resignation Benefit

When you leave the employment of IAG and you are not entitled to a Retirement Benefit, or to a benefit on any other grounds (Death, Total and Permanent Disability, Permanent disablement (other than Total & Permanent Disablement) or Redundancy), a Resignation Benefit is payable calculated as at the date of you ceasing employment.

If you have only been a Non-contributory member

Your Resignation Benefit is equal to your Employer Accumulation account less your Offset account (if any) plus your Additional Accumulation account.

If you have been a Contributory member

Your Resignation Benefit is the sum of your Member account, a vesting amount on your Member account, your Employer Accumulation account less your Offset account (if any), and your Additional Accumulation account.

The vesting amount is an extra amount applied to your Member account based on your Contribution Rate. This amount is calculated by multiplying the balance of your Member account by a vesting percentage as shown below:

Member account	Vesting percentage
3%	170%
5%	110%

If you have more than 25 years' service, the vesting amount is subject to a minimum of 150% for both the 3% and 5% Member account.

Example

Resignation Benefit

Lachlan stopped working for IAG aged 47 in 2020 after 20 years of contributory membership, 15 years at 3% and 5 years at 5%. He is not eligible for any other benefit.

His 3% Member account is \$85,000, his 5% Member account is \$25,000 and his Employer Accumulation account is \$105,000. He also has an Additional Accumulation account of \$25,000 and no Offset account.

Lachlan's Resignation benefit is \$412,000 made up as the sum of:

3% Member account of \$85,000

Plus Vesting on the 3% Member account of
170% x \$85,000 = \$144,500

Plus 5% Member account of \$25,000

Plus vesting on the 5% Member account of
110% x \$25,000 = \$27,500

Plus the Employer Accumulation account of \$105,000

Plus the Additional Accumulation account of \$25,000

TOTAL = \$412,000

Redundancy Benefit

If you leave the employment of IAG due to redundancy, your Redundancy Benefit will be calculated as at the date of you ceasing employment as follows:

If you have only been a Non-contributory member

If you leave the employment of IAG due to redundancy:

- before your 55th birthday, your Redundancy benefit is equal to your Resignation benefit.
- on or after your 55th birthday, your Redundancy benefit is equal to your Retirement benefit.

If you have been a Contributory member

If you leave the employment of IAG due to redundancy:

- before your 55th birthday, your Redundancy benefit is equal to your Resignation benefit as if you had completed 25 or more years of service.
- on or after your 55th birthday, your Redundancy benefit is equal to your Retirement benefit.

Your Redundancy Benefit is subject to a minimum benefit equal to your Resignation Benefit as if you had resigned from service on the date you were made redundant.

3. Your Death Benefit

This section outlines the Death Benefit payable if you die while still employed by IAG or a participating employer.

If you die before the age of 65, your Death Benefit will be a lump sum equal to your Death Benefit described below.

An Additional Death Benefit of \$15,000 may be payable on top of the death benefits below if you die before the age of 70.

How much is my Death Benefit before age 65?

If you have only been a Non-contributory member up to the time of your death, or are a former Contributory member at the time of your death

Your Death Benefit is the greater of:

- (a) your Retirement Benefit; or
- (b) your Resignation Benefit; or
- (c) your Redundancy Benefit (if over age 55 at date of death); or

(d) the sum of:

- (i) your Employer Accumulation account
- (ii) an additional lump sum based on your age at the time of your death:

Your age	Lump sum amount
Up to 35	\$40,000
35 - 40	\$30,000
40 - 45	\$24,000
45 - 49	\$18,000
50 - 54	\$12,000
55 - 64	\$6,000
65+	Nil

- (iii) less your Offset Account (if any), and
- (iv) your Additional Accumulation account.

If you are a Contributory member at the time of your death

Your Death Benefit is the greater of:

- (a) your Retirement Benefit; or
- (b) your Resignation Benefit; or
- (c) your Redundancy Benefit (if over age 55 at date of death); or
- (d) a multiple of your Plan Salary, depending on your Member Contribution Rate at the time of your death:

Contribution rate	Multiple
3%	3
5%	4

Example

Death Benefit

Lachlan dies at age 54.

Lachlan is making Member contributions of 5% at the time of his death. He has a Plan Salary of \$150,000, and a Final Average Salary of \$145,000.

Lachlan's Accrued Benefit Multiple is 3.36.

His 3% Member account is \$85,000, his 5% Member account is \$25,000 and his Employer Accumulation account is \$105,000. He also has an Additional Accumulation account of \$100,000 and no Offset account.

Lachlan's lump sum Death Benefit at the date of death is calculated as the greater of:

- a) $3.36 \times \$145,000 = \$487,200$; or
- b) $\$85,000 + 170\% \times \$85,000 + \$25,000 + 110\% \times \$25,000 + \$105,000 = \$387,000$; or
- c) $4 \times \$150,000 = \$600,000$

Lachlan's Death Benefit is \$600,000.

Lachlan's total Death Benefit payable is \$715,000, being the sum of his Death Benefit above of \$600,000, his Additional Accumulation account of \$100,000 and an Additional Death Benefit of \$15,000 as he died before age 70.

How much is my Death Benefit on or after age 65?

If you die on or after the age of 65, your Death Benefit will be a lump sum equal to your Retirement Benefit as if you retired on the date of death.

Children's benefit

If you are a Contributory member and you die before age 65, a dependent children's benefit is payable for up to three of your youngest children who are either under the age of 16 or financially dependent and under the age of 21 at the date of your death.

If any of your youngest children are under age 16 at the date of your death, the benefit for each of these children is a lump sum calculated as 10% of your salary times the difference between the age of 16 years and the age of your child at their last birthday before the date of your death. The benefit is to be held on behalf of each eligible child and is payable in such manner as the Trustee in its absolute discretion thinks fit.

The Trustee may also pay a further monthly income benefit in respect of these children if they attain age 16 and remain financially dependent. The income benefit is at the annual rate of 10% of your salary which under current arrangements, is payable monthly.

If any of your three youngest children are over 16 but under age 21 at the date of your death, an income benefit is payable for each of those children while they remain financially dependent and under age 21. The income benefit is at the annual rate of 10% of your salary which under current arrangements, is payable monthly.

4. Your Disablement Benefits

Total & Permanent Disablement Benefit

A Total & Permanent Disablement Benefit will be payable if the Trustee determines that you meet the definition of Total & Permanent Disablement as set out in the IAG Superannuation Plan Benefit Deed.

Refer to the definition of Total & Permanent Disablement detailed in Section 5. Definitions.

Your Total & Permanent Disablement Benefit is a lump sum benefit calculated in the same way as your Death Benefit.

You will not qualify for Total & Permanent Disablement benefit if your disablement was inflicted or aggravated by you.

If you have only been a Non-contributory member up to the date you are Totally & Permanently Disabled

Your Total & Permanent Disablement benefit is the greater of:

- a) your Retirement benefit; or
- b) your Resignation benefit; or
- c) your Redundancy benefit (if age 55 or over).

If you are a Contributory member or former Contributory member at the date you are Totally & Permanently Disabled

Your Total & Permanent Disablement Benefit is calculated in the same way as your Death Benefit (as detailed above).

Contributory members may also be paid the Children's benefit outlined below.

Children's benefit

If you are a Contributory member and you are paid a Total & Permanent Disablement benefit before age 65, a dependent children's benefit is payable for up to three of your youngest children who are either under the age of 16 or financially dependent and under the age of 21 at the date you are deemed to be Totally & Permanently Disabled.

If any of your youngest children are under age 16 at the date you are deemed to be Totally & Permanently Disabled, the benefit for each of these children is a lump sum calculated as 10% of your salary times the difference between the age of 16 years and the age of your child at their last birthday before the date you are deemed to be Totally & Permanently Disabled. The benefit is to be held on behalf of each eligible child and is payable in such manner as the Trustee in its absolute discretion thinks fit.

The Trustee may also pay a further monthly income benefit in respect of these children if they attain age 16 and remain financially dependent. The income benefit is at the annual rate of 10% of your salary which under current arrangements, is payable monthly.

If any of your three youngest children are over 16 but under age 21 at the date you are deemed to be Totally & Permanently Disabled, an income benefit is payable for each of those children while they remain financially dependent and under age 21. The income benefit is at the annual rate of 10% of your salary which under current arrangements, is payable monthly.

Permanent Disablement (other than Total & Permanent Disablement) Benefit

A Permanent Disablement (other than Total & Permanent Disablement) Benefit is payable if you retire with the consent of your employer after at least 7 years' of service in circumstances where you are not entitled to a Total & Permanent Disablement Benefit. The benefit payable is equal to your Retirement Benefit calculated as at the date you actually retired due to ill health or incapacity .

Your benefit may not be payable to you in cash if you do not satisfy a condition of release under Superannuation Law. If this is the case, your preserved benefits will be transferred to Ex-IAG & NRMA Superannuation Plan unless you direct us to transfer your benefit to another complying superannuation fund.

Income Protection Benefit

If you become temporarily Totally Disabled or Partially Disabled, you will receive an Income Protection benefit payable as a monthly benefit of up to 89% of your Pre-Disability Salary (less offsets) after a Waiting Period. Your monthly benefit is paid:

- 80% to you as income, and
- 9% to your Additional Accumulation account as a superannuation contribution,

for a Benefit Period up to 2 years.

Any benefit payments paid as a superannuation contribution will count towards your concessional contributions cap. This may have tax implications for you.

If you're an eligible employee, you will automatically receive this amount of Income Protection cover up to \$240,000 per annum. This is known as the Automatic Acceptance Limit (AAL). Australian Retirement Trust will let you know what is required if your cover is over the AAL.

Waiting Period

The Waiting Period is the number of continuous days which must elapse before becoming eligible to claim a benefit. The Waiting Period commences from the date a Medical Practitioner certifies you are Totally Disabled and unable to work as determined by the insurer. Benefit payments will commence when the Waiting Period ends and are paid monthly in arrears.

The Benefit Period is the maximum length of time that a claim will be paid for.

If you are a Non-contributory member your Waiting Period is 84 days.

If you are a Contributory member your Waiting Period is 28 days.

If you are in receipt of a monthly payment, you do not have to make Member contributions to the Plan. Your benefit

entitlements are maintained as if you were contributing to the Plan.

What benefit is paid out?

An Income Protection benefit is payable if you are Totally Disabled or Partially Disabled after the Waiting Period has ended. The maximum Total Disability benefit is the lower of:

- your insured amount less any offsets,
- 89% of your Pre-Disability Salary (less any offsets),
- 80% is paid as income and 9% of your Pre-Disability Salary is paid as a superannuation contribution, and
- \$600,000¹ per annum.

The total claim payment period for any one illness or injury is limited to your Benefit Period.

If your claim is accepted, benefit payments will commence when the Waiting Period ends and are paid monthly in arrears. A reduced monthly Income Protection benefit may be payable if you become Partially Disabled. The benefit may also be reduced by income received by alternate income sources, refer to offsets detailed previously.

If you are on Unpaid Leave or parental leave, your benefit is based on your most recent Salary provided by your employer immediately prior to starting leave.

Benefits paid under the Income Protection benefit may be subject to Pay As You Go (PAYG) tax. This will be deducted prior to payment.

Whilst on claim Income Protection premiums are waived. Any claim for your Income Protection benefit is assessed independently of any Total & Permanent Disablement claim.

1. The maximum level of Income Protection cover available is \$600,000 per annum. Your Income Protection benefit will be calculated as 80% of your salary (plus 9% Monthly superannuation contribution benefit) up to \$30,000 per month; then 25% of your salary (plus 9% Monthly superannuation contribution benefit) thereafter up to the maximum benefit of \$50,000 per month.

5. Definitions

This section defines the various components which are included in the calculation of your Defined Benefits.

Actual Salary

Equivalent to your Plan Salary but based on your actual hours worked.

Normal Retirement Date

Your 65th birthday.

Plan Salary

Your Plan Salary is the total annual value of your salary package as determined by your Employer and notified to the Trustee from time to time.

Your salary package generally includes tool of trade car allowance, regular shift allowance and district allowance, but excludes any other bonus, overtime, commission, incentive, reimbursement of expenses or other special payments.

If you are a part-time Employee, your Plan Salary is adjusted to a full-time equivalent by multiplying your Salary by the ratio of full-time hours per week to the standard hours per week you are employed.

Salary

Salary means your Plan Salary.

Total & Permanent Disablement

Total & Permanent Disablement means you have, as a result of an injury which occurred, or an illness which commenced, while you were working for IAG or a participating employer:

- suffered the loss of two limbs, or the sight of both eyes, or the loss of one limb and sight of one eye; or
- been absent from work for 6 consecutive months and in the opinion of the Trustee, after consideration of such medical or other evidence as the Trustee may require, have become incapacitated to such an extent as to render you unlikely ever to resume work in your former occupation or any occupation for which you are reasonably qualified by education, training or experience.

You will not qualify for Total & Permanent Disablement benefit if your disablement was inflicted or aggravated by you.

APPENDIX B:

Category B – Ex-RACV

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1. Contributions

Member contributions to your Defined Benefit

You are required to make Member contributions to the Plan of 4.5% of your Plan Salary, or 5% if made by salary sacrifice.

On transfer to Australian Retirement Trust, your Member contributions will continue to be paid as they were paid before the transfer.

All member contributions are credited to your Member Compulsory account.

Accrued Benefit Multiple

Your Accrued Benefit Multiple is calculated in accordance with the following formula:

Your Fund Multiple plus your Former Fund Multiple up to a maximum benefit multiple equal to 7.

Fund Multiple

Your Fund Multiple in the IAG Superannuation Plan is calculated as 23 1/3% for each year and completed month of full-time membership of the plan. Your period of membership is adjusted for periods of part-time employment.

Your Former Fund Multiple is as advised by the Former Fund Trustee.

Example

Lachlan was a continuous member of the Former Fund for 23 years, and the IAG Superannuation Plan for 1 year which was a combined membership of 24 years. Using the above formula Lachlan's:

Former Fund Multiple advised
= 5.36667 (23 years x 23 1/3%)

Fund Multiple is 1 year x 23 1/3 = 0.23333

Accrued Benefit Multiple is 5.36667 + 0.23333 = 5.6.

Accrued Pension Multiple

Your Accrued Pension Multiple is calculated in accordance with the following formula:

Your Fund Pension Multiple plus your Former Fund Pension Multiple up to a maximum pension multiple equal to 0.75.

Fund Pension Multiple

Your Fund Pension Multiple in the IAG Superannuation Plan can be calculated as 2.5% for each year and completed month of full-time membership of the plan. Your period of membership is adjusted for periods of part-time employment.

Your Former Fund Pension Multiple is as advised by the Former Fund Trustee.

Example

Lachlan was a continuous member of the Former Fund for 23 years, and the IAG Superannuation Plan for 1 year which was a combined membership of 24 year. Using the above formula Lachlan's:

Former Fund Pension Multiple advised
= 0.575 (23 years x 2.5%)

Fund Pension Multiple is 1 year x 2.5% = 0.025

Accrued Pension Multiple is 0.575 + 0.025 = 0.6.

2. Your benefits

Retirement Benefits

Eligibility for Retirement Benefit

When you retire from employment with IAG on or after age 55, you will be entitled to your Retirement Benefit as at the date of retirement. Your Retirement Benefit may be taken as either a lump sum benefit or a pension benefit. Note that you will only be able to take your benefit as cash if you qualify under the preservation rules. See Receiving benefits in cash in this Handbook for more information.

Amount of lump sum Retirement Benefit

If you retire on or before your 70th birthday, the lump sum Retirement Benefit payable will be equal to:

Your Accrued Benefit Multiple multiplied by your Final Average Salary, less your Offset Account (if any) plus your Additional Accumulation account.

Amount of Pension Retirement Benefit

You can elect to receive some or all of your lump sum Retirement Benefit as a Pension. The Pension Retirement Benefit payable will be:

An annual pension equal to your Accrued Pension Multiple multiplied by your Final Average Salary multiplied by your Retirement Factor.

If you elect to take only part of your lump sum Retirement Benefit as a Pension, the annual pension amount is pro-rated.

Retirement Factor is explained in Section 5 Definitions.

If you retired after the age of 70, the benefit will be an amount equal to your Retirement Benefit calculated as at your 70th birthday together with an actuarial adjustment for the period of membership after your 70th birthday.

Receiving your benefit as a Lifetime Pension

The IAG Lifetime Pension Handbook explains the terms and operation of IAG's Lifetime Pensions. Briefly, the key features are as follows:

- Payments are made monthly for the life of the member,
- If you elect to receive a pension this pension can be reduced to provide for a reversionary pension payable to your spouse in the event of your death. The amount of your pension reduction would be calculated by the Plan's actuary.

For more information on the Lifetime Pension, please read the IAG Lifetime Pension Handbook available at art.com.au/iag. Payments of the Lifetime Pension can commence from the date you cease employment with your IAG employer.

Child Pensions

If you retire on or after the age of 65, your Children will receive a Pension until they reach age 18, or die if earlier.

The annual amount of the Pension payable for each Child is 7.5% of your FAS, subject to a maximum of the sum of all annual Pensions payable to your children of 22.5% of your FAS.

The Trustee may, in its absolute discretion, increase the Pensions payable to twice the amounts of Pension which would otherwise be payable to children who are in necessitous circumstances.

Resignation Benefits

Where a member leaves the employment of IAG and they are not entitled to a Retirement Benefit, or to a benefit on any other grounds (Death, Total and Permanent Disability), a Resignation Benefit is payable calculated as at the date of cessation of employment. Your Resignation Benefit may be taken as either a lump sum benefit or deferred within the Plan.

The benefit is:

Your Accrued Benefit Multiple multiplied by your Final Average Salary multiplied by your Resignation Factor, less your Offset account (if any) plus your Additional Accumulation account.

Resignation Factor is explained in Section 5 Definitions.

Deferred Pension Benefits

Members receiving a benefit where they cease employment before their Normal Retirement Date (other than due to Total and Permanent Disablement), may elect to retain their membership as a Deferred Pensioner. You must notify the Trustee generally within 30 days after ceasing employment for this to apply.

If you elect to receive a Deferred Pension Benefit, this will commence payments from your 65th birthday and the amount will not change.

Please refer to the IAG Lifetime Pension Handbook to understand the benefits of a Lifetime Pension, and call Australian Retirement Trust on **13 11 84** if you would like some advice.

Example

if the Pensioner was in receipt of a \$62,000 per annum Pension, then their Eligible Spouse will continue to receive a pension for life to the amount of $\$62,000 \times 62.5\% = \$38,750$ per annum.

3. Your Death Benefit

This section outlines the Death Benefit payable if you die before your normal retirement date.

If you are receiving a Lifetime Pension, see the Lifetime Pension Handbook for information about the benefits payable on your death.

What benefit is payable if I die?

If you die on or after your Normal Retirement Date, your Death Benefit will be a lump sum equal to your Retirement Benefit.

If you die before your Normal Retirement Date, your Death Benefit will be the lump sum equal to your Death Benefit below.

An Additional Death Benefit of \$15,000 may be payable on top of the death benefits below if you die before the age of 70.

Your Death Benefit is also subject to a minimum benefit equal to the total contributions you made to the Plan multiplied by 2, less any amounts paid to you from the Plan plus your Additional Accumulation account.

How much is my Death Benefit under age 65?

Your Death Benefit is calculated in the same manner as your lump sum Retirement Benefit, assuming you had remained in the Plan until your Normal Retirement Date.

Your lump sum Death Benefit is equal to:

Your Accrued Benefit Multiple plus your Prospective Accrued Benefit Multiple (subject to a maximum of 7) multiplied by your Final Average Salary, less your Offset account (if any) plus your Additional Accumulation account.

Your Prospective Accrued Benefit Multiple is calculated as 23 1/3% for each year and completed month of full-time membership from date of death to Normal Retirement Date. Your period of membership is adjusted for periods of part-time employment.

Death Benefit Pension option

If the Trustee determines that your lump sum Death Benefit is payable in full to your Eligible Spouse, they may elect to take the Death Benefit as a Pension equal to 46.875% of your FAS reduced for the years and complete months your potential membership period including your prospective membership from date of death to Normal Retirement Date is less than 30 years.

If you are a Deferred pensioner

If you are prospectively entitled to a Deferred Pension and you die before the Pension commences being paid, your surviving Eligible Spouse will be paid a Pension for life commencing from the date your death. The amount of the Eligible Spouse's Pension is equal to 46.875% of your FAS, reduced for the years and complete months your membership period is less than 30 years.

Your Eligible Spouse may elect to convert their Pension to a lump sum equal to your original Resignation Benefit less payments already made to you from the Plan.

Example

Death Benefit

Lachlan dies at age 53 after 24 years membership. Lachlan's Final Average Salary is \$100,000. He also has an Additional Accumulation account of \$25,000 and no Offset account. His normal retirement date is age 65.

Using the above formula Lachlan's:

Accrued Benefit Multiple is 5.6

Prospective Accrued Benefit Multiple is calculated as $12 \times 23 \frac{1}{3}\% = 2.8$

Total Death Benefit Multiple is $5.6 + 2.8 = 8.4$
(This multiple is subject to a maximum of 7)

Lachlan's Death Benefit payable as a lump sum, at the date of death, is calculated as:

$7 \times \$100,000 + \$25,000 = \$725,000$

Lachlan's Death benefit is \$725,000

Death of a Pensioner

In the event of the death of a Pensioner who is in receipt of a Pension on retirement, the Trustee shall pay to the Pensioner's Eligible Spouse a Pension for life in the amount of 62.5% of the amount of the Pensioner's Pension at the date of death.

If the Pensioner was in receipt of a Disability Pension, an alternative Pension of equivalent value will be made to the Eligible Spouse provided that the pension amount is no more than 62.5% of the original Pension value.

Child Pensions

If you die while still employed or while in receipt of a Pension, your Children will receive a Pension until they reach age 18, or die if earlier.

The annual amount of the Pension payable for each Child is 7.5% of your FAS, subject to a maximum of the sum of all annual Pensions payable to your children of 22.5% of your FAS.

The Trustee may, in its absolute discretion, increase the Pensions payable to twice the amounts of Pension which would otherwise be payable to children who are orphans or are in necessitous circumstances.

4. Your Disablement Benefits

Total & Permanent Disablement Benefit

A Total & Permanent Disablement Benefit will be payable if the Trustee determines that you meet the definition of Total & Permanent Disablement as set out in the IAG Superannuation Plan Benefit Deed.

Refer to the definition of Total & Permanent Disablement detailed in Section 5. Definitions.

Your Total & Permanent Disability Benefit is a lump sum benefit calculated in the same way as your Death Benefit.

You can elect to take your benefit as a pension, a combination of a pension and lump sum or as an income stream from a Super Savings Income account.

You must notify the Trustee of your selection generally within 30 days after ceasing employment. If you do not notify your selection within that timeframe, the Trustee will make the selection for you.

Child Pensions

If you are Totally & Permanently Disabled while still employed, your Children will receive a Pension until they reach age 18, or die if earlier.

The annual amount of the Pension payable for each Child is 7.5% of your FAS, subject to a maximum of the sum of all annual Pensions payable to your children of 22.5% of your FAS.

The Trustee may, in its absolute discretion, increase the Pensions payable to twice the amounts of Pension which would otherwise be payable to children who are in necessitous circumstances.

Permanent Disablement (other than Total & Permanent Disablement) Benefit

If you cease employment due to Disablement, which does not constitute Total & Permanent Disablement, and you are not entitled to a greater benefit under the IAG Superannuation Plan Benefit Deed, a Permanent Disablement (other than Total & Permanent Disablement) Benefit may be payable subject to Superannuation Law.

Disablement means disablement caused through bodily injury, physical or mental illness, disease, infirmity or accident (none of which has been incurred or inflicted for the purposes of obtaining a benefit from the Plan) which the Trustee, after obtaining the advice of a legally qualified and registered medical practitioner, determines will render you temporarily or permanently incapable of performing your duties to your employer, and occasions the termination of your employment prior to your Normal Retirement Date.

Your Permanent Disablement (other than Total & Permanent Disablement) Benefit is calculated in the same manner as your lump sum Retirement Benefit, but with your accrued benefit multiple enhanced by 50% of the period remaining from your date of Disablement to your Normal Retirement Date.

Income Protection Benefit

If you become temporarily Totally Disabled or Partially Disabled, you will receive an Income Protection benefit payable as a monthly benefit of up to 89% of your Pre-Disability Salary (less offsets) after a Waiting Period. Your monthly benefit is paid:

- 80% to you as income, and
- 9% to your Additional Accumulation account as a superannuation contribution,

for a Benefit Period up to 2 years after a Waiting Period of 28 days

While you receive an Income Protection payment, you do not have to make standard contributions to the Plan. Your benefit entitlements are maintained as if you were contributing to the plan.

Any benefit payments paid as a superannuation contribution will count towards your concessional contributions cap. This may have tax implications for you.

If you're an eligible employee, you will automatically receive this amount of Income Protection cover up to \$240,000 per annum. This is known as the Automatic Acceptance Limit (AAL). Australian Retirement Trust will let you know what is required if your cover is over the AAL.

Waiting Period

The Waiting Period is the number of continuous days which must elapse before becoming eligible to claim a benefit. The Waiting Period commences from the date a Medical Practitioner certifies you are Totally Disabled and unable to work as determined by the insurer. Benefit payments will commence when the Waiting Period ends and are paid monthly in arrears.

The Benefit Period is the maximum length of time that a claim will be paid for.

What benefit is paid out?

An Income Protection benefit is payable if you are Totally Disabled or Partially Disabled after the Waiting Period has ended. The maximum Total Disability benefit is the lower of:

- your insured amount less any offsets,
- 89% of your Pre-Disability Salary (less any offsets),
- 80% is paid as income and 9% of your Pre-Disability Salary is paid as a superannuation contribution, and
- \$600,000 per annum.

The total claim payment period for any one illness or injury is limited to your Benefit Period.

If your claim is accepted, benefit payments will commence when the Waiting Period ends and are paid monthly in arrears. A reduced monthly Income Protection benefit may be payable if you become Partially Disabled. The benefit may also be reduced by income received by alternate income sources, refer to offsets detailed previously.

If you are on Unpaid Leave or parental leave, your benefit is based on your most recent Salary provided by your employer immediately prior to starting leave.

Benefits paid under the Income Protection benefit may be subject to Pay As You Go (PAYG) tax. This will be deducted prior to payment.

Whilst on claim Income Protection premiums are waived. Any claim for your Income Protection benefit is assessed independently of any Total & Permanent Disability claim.

1. The maximum level of Income Protection cover available is \$600,000 per annum. Your Income Protection benefit will be calculated as 80% of your Salary (plus a 9% superannuation contribution) up to \$30,000 per month; then 25% of your Salary thereafter up to the maximum benefit of \$50,000 per month.

5. Definitions

This section defines the various components which are included in the calculation of your Defined Benefit.

Activities

Means:

(i) **Mobility:** The ability to:

- Bend, kneel or squat to pick something up from the floor and straighten up again and get into and out of a standard sedan car; or
- To walk more than two hundred 200 metres at normal pace on a level surface without stopping due to breathlessness as a result of a medical condition or angina.

(ii) **Hearing:** the ability to hear such that an audiologist can certify that the Insured Member has a hearing ability of less than or equal to 40db in the better ear (averaged over the frequencies 0.5, 1, 2 and 3Khz) in an audiometry test.

(iii) **Communicating through speech:** The ability to speak with sufficient clarity to be able to hold a conversation in a quiet room in the Insured Member's first language. This involves understanding a simple message and relaying that message to another person.

(iv) **Seeing:** the ability to see even when tested with visual aids, such that an ophthalmologist can certify that the Insured Member's visual acuity is better than 6/60 in the better eye or a visual field of greater than 10 degrees (i.e. not legally blind).

(v) **Lifting and carrying:** The ability to lift (from bench height) and carry a 5kg weight a distance of ten (10) meters and place the item back down at bench height

(vi) **Manual dexterity:** The ability to use:

- At least one hand to pick up and/or manipulate small objects such as picking up a coin from a desk, using cutlery or fastening buttons; or
- A pen or pencil or keyboard to write a short note that can be understood by another person.

For the purpose of assessing a Total & Permanent Disability claim, where you are unable to perform one or more of the Activities upon commencement of cover, that Activity shall not be taken into consideration for Total & Permanent Disability assessment.

Actual Salary

Equivalent to your Plan Salary but based on your actual hours worked.

Child

Means your child and includes:

- (a) a child of any marriage of you contracted prior to you ceasing service with your employer;
- (b) a child of a person who was a Spouse of you prior to you ceasing service with your employer;
- (c) a person included as a child of you under Superannuation Law and who was such a child prior to you ceasing service with your employer; and
- (d) any person who, in the opinion of the Trustee, is or was actually maintained by you as your child and whom the Trustee decides in its absolute discretion to recognise as your child;

but excludes any person who has attained age 18 years.

Eligible Spouse

Means your surviving Spouse but does not include a person you married, or commenced a relationship with, after you ceased employment. If there is more than one Eligible Spouse at the time of your death, the Trustee may determine to pay your death benefit either:

- (a) solely to one Eligible Spouse to the exclusion of all others; or
- (b) divided between your Eligible Spouses in such proportions as the Trustee determines

Final Average Salary

Equal to the day weighted average of the salary earned over the 3 years immediately prior to the date of calculation.

Normal Retirement Date

Your 65th birthday, or an earlier date:

- (a) as already applies to you from the Former Fund, or
- (b) as agreed between you and the Employer, with the consent of the Principal Employer and the Trustee.

Plan Salary

Your Plan Salary is your annual rate of remuneration as determined by your Employer and notified to the Trustee from time to time.

Plan Salary generally excludes director's fees, overtime, penalty rates, shift premiums, bonuses, commissions, special grants and the like.

If you are a part-time Employee and your membership period is not less than 10 years, your employer may nominate that your Plan Salary is multiplied by 1.25, subject to a maximum of full-time equivalent Plan Salary.

Resignation Factor

Your Resignation Factor is equal to 30% plus 2.5% for each year of membership calculated in years and complete months up to a maximum factor equal to 1. If you leave employment aged between 50 and 55, a higher factor will apply to ensure your Resignation Factor reaches 1 by age 55.

Your Resignation Factor is calculated in years and fractions of a year for additional complete months

Retirement Factor

If you are over 65, your Retirement Factor is 1.

If you are under 65 your Retirement Factor is the greater of:

- 1.00 reduced by 2% for each year the sum of your age at retirement in years and your membership period is less than 95, subject to a minimum factor of 0.90, and
- 1.00 reduced by 2% for each year prior to age 65.

Your Retirement Factor is calculated in years and fractions of a year for additional complete months.

Total and Permanent Disablement

The components you are assessed against is dependent whether you are an active employee.

Parts (a), or (b), or (c), or (d) and Part (f)

Total and Permanent Disablement means:

(a) Unlikely to engage in work

You:

- (i) have been absent from your occupation solely through illness or injury for a period of six consecutive months,
- (ii) have been regularly attending a *Medical Practitioner* and undertaking medical treatment reasonably recommended by that *Medical Practitioner* with respect to that illness or injury since ceasing work in your occupation solely through illness or injury, and
- (iii) are incapacitated to such an extent that, in the opinion of the insurer and the Trustee, after consideration of 'medical and other relevant evidence', you are, at the end of the initial period of six consecutive months absence from your occupation, unlikely to ever engage in or work (on a full time or part time employment basis) in any occupation for which you are reasonably suited by education, training or experience.

or

(b) Specific loss

You suffer, as a result of illness or injury:

- (i) the total and permanent loss of the use of two limbs; or
- (ii) blindness in both eyes; or
- (iii) the total and permanent loss of one limb and blindness in one eye;

where 'limb' means the whole hand below the wrist or whole foot below the ankle; and 'blindness' means The permanent loss of sight due to illness or injury to the extent that visual acuity is 6/60 or less in both eyes or to the extent that the visual field is reduced to 20 degrees or less of arc.

or

(c) Unable to do basic activities associated with work ever again

Where at the Date of Disablement:

- (i) you have not, as a result of an injury or sickness, been able to perform at least three Activities for a period of three consecutive months after the occurrence of the injury or sickness; and,
- (ii) you are under the care of, and following the advice of, a registered Medical Practitioner; and
- (iii) the insurer, after considering all relevant evidence which is reasonably available, then determines that it is likely, due to the injury or sickness, that you are totally and permanently unable to perform (with Aids and adaptations) at least three Activities.

or

(d) Medical Conditions (Specific illness)

All of the following sub-paragraphs (i), (ii), (iii) and (iv) apply to you:

- (i) you were, on the Date of Disablement, aged 64 years or less; and
- (ii) you are absent from all work as a result of suffering cardiomyopathy, primary pulmonary hypertension, major head trauma, motor neurone disease, multiple sclerosis, muscular dystrophy, paraplegia, quadriplegia, hemiplegia, diplegia, tetraplegia, dementia and Alzheimer's disease, Parkinson's disease, blindness, loss of speech, loss of hearing, chronic lung disease or severe rheumatoid arthritis - Refer to Medical Condition Definitions for further details; and
- (iii) the insurer and the Trustee consider, on the basis of medical and other evidence satisfactory to the insurer and the Trustee, that you are unlikely ever to be able to engage in any occupation, whether or not for reward; and
- (iv) you are likely to be so disabled for life.

and

(f) Permanent incapacity

You are incapacitated to such an extent that, in the insurer's and the Trustee's opinion (after consideration of medical and other relevant evidence) makes it unlikely that you will engage in work for reward in any occupation for which you are reasonably qualified by education, training or experience.

'medical and other relevant evidence' includes, but is not limited to:

- (i) the prospect of improvement in your capacity after treatment and rehabilitation that could reasonably be expected to be undertaken by you, and
- (ii) whether reasonable retraining or re-skilling would render you able to engage in or work (on a full-time or part-time basis) in any occupation for which you are reasonably suited by education, training or experience.

'occupation'

means an occupation that you can reasonably perform, on a full-time or part-time basis, based on the skills or knowledge you have acquired through previous education, training or experience.

'part time'

means engaged in permanent employment for at least 15 hours per week.

APPENDIX C:

Category C – Ex-CGU

Contents

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1. Contributions

Member contributions

You are not required to make Contributions to the Plan and all member contributions are entirely voluntary.

You can pay your contributions by after tax contributions or, with your employer's agreement, you can pay the contributions by salary sacrifice. On transfer to Australian Retirement Trust, until you and the employer agree otherwise, your member contributions will continue to be paid in the same way (after tax or by salary sacrifice) as they were paid before the transfer.

All member contributions are credited to your Additional Accumulation account.

Employer Accumulation account

The Employer Accumulation account accumulates the Superannuation Guarantee rate (currently 11%) of your salary each year, less an allowance for tax. This account is invested in the same manner as the Plan's defined benefit assets. The Employer account forms part of your defined benefit.

Accrued Benefit Multiple

Your Accrued Benefit Multiple is calculated in accordance with the following formula:

Your Fund Multiple plus your Former Fund Multiple. Your Accrued Benefit Multiple is capped at 66.67%.

Fund multiple

Your Fund Multiple in the IAG Superannuation Plan can be calculated as 1/840 multiplied by each completed month of membership. The accrual rate is adjusted for periods of part-time membership.

Your Former Fund Multiple is as advised by the Former Fund Trustee.

Example

Lachlan was a continuous member of the Former Fund for 19 years, and the IAG Superannuation Plan for 1 year which was a combined membership of 20 years or 240 months. Using the above formula Lachlan's:

Former Fund Multiple advised is
 $0.271429 (1/840 \times 19 \times 12)$

Fund Multiple is $1/840 \times 12 = 0.014286$

Accrued Benefit Multiple is
 $0.271429 + 0.014286 = 0.285715$

2. Your benefits

Retirement Benefits

Eligibility for Retirement Benefit

When you retire from employment with IAG on or after age 60, or from 55 if your employer and the Trustee agree, you will be entitled to your Retirement Benefit as at the date of retirement. Your Retirement Benefit may be taken as either a lump sum benefit or a pension benefit. Note that you will only be able to take your benefit as cash if you qualify under the preservation rules. See *Receiving benefits in cash* in this Handbook for more information.

Amount of lump sum Retirement Benefit

If you retire on or before your 70th birthday and you receive the lump sum benefit, the lump sum payable will be equal to:

Your Accrued Benefit Multiple multiplied by your Plan Salary multiplied by your Commutation Factor, less your Offset Account (if any) plus your Additional Accumulation account.

Amount of Pension Retirement Benefit

If you retire on or before your 70th birthday and you receive the Pension Benefit, the benefit payable will be:

An annual pension of Your Accrued Benefit Multiple multiplied by your Plan Salary, plus your Additional Accumulation account less your Offset account (if any).

Commutation Factor is explained in Section 5 Definitions.

If you retire after the age of 70, your Retirement Benefit will be an amount equal to your benefit calculated as at your 70th birthday together with an actuarial adjustment for the period of membership after your 70th birthday, plus your Additional Accumulation account less your Offset account (if any).

Receiving your benefit as a Lifetime Pension

The IAG Lifetime Pension Handbook explains the terms and operation of ex-CGU Lifetime Pensions. Briefly, the key features are as follows:

- Payments are made monthly for the life of the member,
- If you elect to receive a pension this pension can be reduced to provide for a reversionary pension payable to your spouse in the event of your death. The amount of your pension reduction would be calculated by the Plan's actuary.

For more information on the Lifetime Pension, please read the IAG Lifetime Pension Handbook available at art.com.au/iag. Payments of the Lifetime Pension can commence from the date you cease employment with your IAG employer.

Resignation Benefit

Where a member leaves the employment of IAG by reason other than death, retirement, or permanent incapacity or invalidity, a Resignation Benefit is payable calculated as at the date of cessation of employment. Your Resignation Benefit may be taken as either a lump sum benefit or as a Deferred Pension within the Plan.

The Deferred Pension Benefit payable from age 60 is:

Example

Resignation Benefit

Lachlan stopped working for IAG aged 53 after 20 years of membership. He is not eligible for any other benefit

His salary is \$100,000. He also has an Additional Accumulation account of \$25,000.

Lachlan's Resignation Benefit is the sum of:

- A lump sum equal to his Additional Accumulation account of \$25,000; and
- A deferred pension of $0.285715 \times \$100,000 = \$28,571.50$ per annum payable from age 60.

Your *Accrued Benefit Multiple* multiplied by your *Plan Salary*

Deferred Pension Benefits

Members receiving a benefit where they cease employment before their Retirement Date (other than due to Total and Permanent Disablement), may elect to retain their membership as a Deferred Pensioner. You must notify the Trustee generally within 30 days after ceasing employment for this to apply. You may elect to defer your benefit as a deferred pension.

If you elect to receive a Deferred Pension Benefit, this amount will be indexed by CPI each 1 January subject to a maximum increase of 5% per annum.

Please refer to the IAG Lifetime Pension Handbook to understand the benefits of a Lifetime Pension, and call Australian Retirement Trust on **13 11 84** if you would like some advice.

3. Your Death Benefit

This section outlines the Death Benefit payable if you die before your normal retirement date.

If you are receiving a Lifetime Pension, see the Lifetime Pension Handbook for information about the benefits payable on your death.

What benefit is payable if I die?

If you die on or after your normal retirement date, your Death Benefit will be the lump sum equal to your Retirement Benefit.

If you die before your normal retirement date, your Death Benefit will be the lump sum equal to your Death Benefit.

An Additional Death Benefit of \$15,000 may be payable on top of the death benefits below if you die before the age of 70.

How much is my Death Benefit?

Your Death Benefit is the sum of:

- (a) The greater of:
 - (i) $7 \times$ Plan Salary at date of death; or
 - (ii) your Accrued Benefit Multiple times your Plan Salary commuted to a lump sum; and
- (b) your Additional Accumulation account less your Offset account (if any).

Example

Death Benefit

Lachlan dies at age 53. His Commutation Factor is 9.613. He also has an Additional Accumulation account of \$25,000.

Lachlan's Death Benefit, payable as a lump sum, at the date of death, is calculated as the greater of:

- a) $7 \times \$100,000 + \$25,000 = \$725,000$; and
- b) $0.285715 \times \$100,000 \times 9.613 + \$25,000 = \$299,657.83$

Lachlan's Death benefit is \$725,000

If you are a Deferred pensioner

Your Death Benefit is equal to 7 times your deferred pension amount at your date of death.

4. Your Disability Benefits

Permanent Disablement (other than Total & Permanent Disablement) Benefit

A Permanent Disablement (other than Total & Permanent Disablement) Benefit will be payable if the Trustee determines that you meet the definition of Permanent Incapacity or Permanent Invalidity as set out in the IAG Superannuation Plan Benefit Deed.

Permanent Incapacity or Permanent Invalidity means permanent incapacity or permanent invalidity established to the satisfaction of the Trustee (as to which the Trustee shall be the sole arbiter) after consideration of medical evidence that includes a certificate signed by two registered medical practitioners certifying that in their opinion you are unlikely ever to be able to work again in a job in which you are reasonably qualified by reason of education, training or experience.

Your Permanent Disablement Benefit is a pension benefit calculated in the same way as your Retirement Benefit, assuming you had remained in the Plan until your 60th birthday. If previous pension options applied in the Former Fund they will continue to apply.

Please refer to the *IAG Lifetime Pension Handbook* to understand the benefits of a Lifetime Pension, and call Australian Retirement Trust on **13 11 84** if you would like some advice.

Options for your Permanent Disablement (other than Total & Permanent Disablement) Benefit

You can elect to take your benefit as a Lifetime Pension, a Lump sum or as an income stream from a Super Savings Income account.

You must notify the Trustee of your selection generally within 30 days after ceasing employment. If you do not notify your selection within that timeframe, the Trustee will make the selection for you.

Income Protection Benefit

If you become temporarily *Totally Disabled* or *Partially Disabled*, you will receive an Income Protection benefit payable as a monthly benefit of up to 89% of your *Pre-Disability Salary* (less offsets) after a Waiting Period. Your monthly benefit is paid:

- 80% to you as income, and
- 9% to your Additional Accumulation account as a superannuation contribution,
- for a Benefit Period up to 2 years after a Waiting Period of 28 days

While you receive an Income Protection payment, you do not have to make standard contributions to the Plan. Your benefit entitlements are maintained as if you were contributing to the Plan.

Any benefit payments paid as a superannuation contribution will count towards your concessional contributions cap. This may have tax implications for you.

If you're an eligible employee, you will automatically receive this amount of Income Protection cover up to \$240,000 per annum. This is known as the Automatic Acceptance Limit (AAL). Australian Retirement Trust will let you know what is required if your cover is over the AAL.

Waiting Period

The Waiting Period is the number of continuous days which must elapse before becoming eligible to claim a benefit. The Waiting Period commences from the date a Medical Practitioner certifies you are Totally Disabled and unable to work as determined by the insurer. Benefit payments will commence when the Waiting Period ends and are paid monthly in arrears.

The Benefit Period is the maximum length of time that a claim will be paid for.

What benefit is paid out?

An Income Protection benefit is payable if you are Totally Disabled or Partially Disabled after the Waiting Period has ended. The maximum Total Disability benefit is the lower of:

- your insured amount less any offsets,
- 89% of your Pre-Disability Salary (less any offsets),
- 80% is paid as income and 9% of your Pre-Disability Salary is paid as a superannuation contribution, and
- \$600,000 per annum.

The total claim payment period for any one illness or injury is limited to your Benefit Period.

If your claim is accepted, benefit payments will commence when the Waiting Period ends and are paid monthly in arrears. A reduced monthly Income Protection benefit may be payable if you become Partially Disabled. The benefit may also be reduced by income received by alternate income sources, refer to offsets detailed previously.

If you are on Unpaid Leave or parental leave, your benefit is based on your most recent Salary provided by your employer immediately prior to starting leave.

Benefits paid under the Income Protection benefit may be subject to Pay As You Go (PAYG) tax. This will be deducted prior to payment.

Whilst on claim Income Protection premiums are waived. Any claim for your Income Protection benefit is assessed independently of any Total & Permanent Disability claim.

1. The maximum level of Income Protection cover available is \$600,000 per annum. Your Income Protection benefit will be calculated as 80% of your Salary (plus a 9% superannuation contribution) up to \$30,000 per month; then 25% of your Salary thereafter up to the maximum benefit of \$50,000 per month.

5. Definitions

This section defines the various components which are included in the calculation of your Defined Benefit.

Actual Salary

Equivalent to your Plan Salary but based on your actual hours worked.

CPI

Is the Consumer Price Index (all Groups) Weighted Average of Eight Capital Cities published by the Australian Bureau of Statistics.

Commutation Factor

The commutation factors are reviewed by the Plan Actuary from time to time to ensure they reflect reasonable assumptions related to future investment earnings, pension increases and mortality rates. As a result the commutation factors may change in the future. There is a difference between the male and female commutation factors due to the difference in mortality rates.

The factors are interpolated by age in years and complete months

Age	Male	Female
42	5.838	6.564
43	6.107	6.862
44	6.388	7.175
45	6.682	7.502
46	6.990	7.845
47	7.313	8.204
48	7.652	8.580
49	8.007	8.974
50	8.380	9.387
51	8.771	9.820
52	9.181	10.274
53	9.613	10.750
54	10.067	11.250
55	10.545	11.776
56	11.048	12.327
57	11.579	12.907
58	12.140	13.517
59	12.732	14.159
60	13.360	14.835
61	13.062	14.558
62	12.761	14.274
63	12.460	13.984
64	12.157	13.688
65	11.854	13.386

Disablement (Permanent Incapacity or Permanent Invalidity)

means, in relation to a CDB Member, permanent incapacity or permanent invalidity established to the satisfaction of the Trustee (as to which the Trustee shall be the sole arbiter) after consideration of medical evidence that shall include a certificate signed by two registered medical practitioners certifying that in their opinion the CDB Member is unlikely ever to be able to work again in a job in which the CDB Member is reasonably qualified by reason of education, training or experience.

Normal Retirement Date

Your 60th birthday, or an earlier date:

- (a) as already applies to from the Former Fund, or
- (b) as agreed between you and the Employer, with the consent of the Principal Employer and the Trustee.

Plan Salary

Your Plan Salary is your annual remuneration, including wages, as determined by your Employer and notified to the Trustee from time to time. Plan Salary generally does not include any payments for overtime, bonus, or commission or the value of allowances for living accommodation or rations or director fees.

APPENDIX D: Category D – Ex-CGU VACC

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1. Contributions

Member contributions

You are not required to make Contributions to the Plan and all member contributions are entirely voluntary.

You can pay your contributions by after tax contributions or, with your employer's agreement, you can pay the contributions by salary sacrifice. On transfer to Australian Retirement Trust, until you and the employer agree otherwise, your member contributions will continue to be paid in the same way (after tax or by salary sacrifice) as they were paid before the transfer.

All member contributions are credited to your Additional Accumulation account.

SG account

The SG account accumulates the equivalent of the Superannuation Guarantee rate (currently 11%) of your salary each year, less an allowance for tax. This account is invested in the same manner as the Plan's defined benefit assets.

Accrued Benefit Multiple

Your Accrued Benefit Multiple is calculated in accordance with the following formula (subject to a maximum of 66 2/3%):

Your Benefit Multiple plus your Former Benefit Multiple.

Benefit multiple

Your Benefit Multiple in the IAG Superannuation Plan can be calculated as 1 2/3% for each completed year of full-time membership of the Plan (including part years). The accrual rate is adjusted for periods of part-time membership.

Your Former Benefit Multiple is as advised by the Former Fund Trustee.

Example

Lachlan was a continuous member of the Former Fund for 19 years, and the IAG Superannuation Plan for 1 year which was a combined membership of 20 years. Using the above formula Lachlan's:

Former Benefit Multiple advised is
0.31667 (19 x 1 2/3%)

Benefit Multiple is 1 year x 1 2/3% = 0.01667

Accrued Benefit Multiple is
0.31667 + 0.01667 = 0.33334.

2. Your benefits

Retirement Benefits

Eligibility for Retirement Benefit

When you retire from employment with IAG on or after age 60, or from age 55 with the consent of your employer and the Trustee agree, you will be entitled to your Retirement Benefit as at the date of retirement. Your Retirement Benefit may be taken as either a pension benefit or a lump sum benefit. Note that you will only be able to take your benefit as cash if you qualify under the preservation rules. See *Receiving benefits in cash* in this Handbook for more information.

Amount of Pension Retirement Benefit

If you retire on or before your 65th birthday and you receive the Pension Benefit, the benefit payable will be:

An annual pension of Your Accrued Benefit Multiple multiplied by your Final Average Salary (up to a maximum of 66 2/3% of your Final Average Salary) plus your Additional Accumulation account less your Offset Account (if any).

Amount of lump sum Retirement Benefit

If you retire on or before your 65th birthday and you elect to receive the lump sum benefit, the lump sum payable will be equal to:

Your Accrued Benefit Multiple multiplied by your Final Average Salary multiplied by your Commutation Factor, plus your Additional Accumulation account less your Offset Account (if any).

Commutation Factor is explained in Section 5 Definitions.

Amount of Late Retirement Benefit

If you retire after age 65, you will be entitled to a Retirement Benefit comprising:

- a pension, which as a lump sum commuted value equal to the sum of:
 - (i) the lump sum commuted value of the Retirement Benefit that you would have been entitled to had you retired at age 65;
 - (ii) any contributions made in respect of you under a prescribed agreement or award during the period from age 65 to the date of your retirement; and
 - (iii) investment earnings on the above amounts based on the IAG Defined Benefit investment option; and
- your Additional Accumulation account less your Offset Account (if any).

Other contributions received on behalf of you that are not taken into account in the value of your late Retirement Benefit pension will be credited to your Additional Accumulation account.

Receiving your benefit as a Lifetime Pension

The IAG Lifetime Pension Handbook explains the terms and operation of IAG's Lifetime Pensions. Briefly, the key features are as follows:

- The pension is not indexed,
- Payments are made monthly for the life of the member
- If you elect to receive a pension this pension can be reduced to provide for an indexed-linked pension or commuted to a Lump Sum payment.

For more information on the Lifetime Pension, please read the IAG Lifetime Pension Handbook available at art.com.au/iag. Payments of the Lifetime Pension can commence from the date you cease employment with your IAG employer.

Resignation Benefits

Where a member leaves the employment of IAG and they are not entitled to a retirement benefit, or to a benefit on any other grounds (Death, Total and Permanent Disablement), a Resignation Benefit is payable calculated as at the date of cessation of employment.

The lump sum Resignation Benefit is:

Your Accrued Benefit Multiple multiplied by your Final Average Salary multiplied by your Vesting Factor multiplied

by your Commutation Factor, plus your Additional Accumulation account less your Offset Account (if any).

Commutation Factor and Vesting Factor are explained in Section 5 Definitions.

Example

Resignation Benefit

Lachlan stopped working for IAG aged 53 after 20 years of membership. He is not eligible for any other benefit.

His *Final Average Salary* is \$100,000. His *Vesting Factor* is 0.74074 and his *Commutation Factor* is 11.5. He also has an Additional Accumulation account of \$25,000.

Lachlan's Resignation benefit is the sum of $0.33334 \times \$100,000 \times 0.74074 \times 11.5 + \$25,000 = \$308,956.01$

3. Your Death Benefit

This section outlines the Death Benefit payable if you die before your normal retirement date.

What benefit is payable if I die?

If you die on or after your normal retirement date, your Death Benefit will be the lump sum equal to your Retirement Benefit.

If you die before your normal retirement date, your Death Benefit will be the lump sum equal to your Death Benefit.

An Additional Death Benefit of \$15,000 may be payable on top of the death benefits below if you die before the age of 70.

How much is my Death Benefit?

Your Death Benefit is:

Your Normal Retirement Benefit Multiple multiplied by your Salary at date of death multiplied by your Commutation Factor, plus your Additional Accumulation account less your

Example

Death Benefit

Lachlan dies at age 53. His salary is \$105,000 and his Commutation Factor is 11.5. He also has an Additional Accumulation account of \$25,000.

Lachlan's Death Benefit, payable as a lump sum, at the date of death, is calculated as:

$0.65 \times \$105,000 \times 11.5 + \$25,000 = \$809,875.00$

$0.53334 \times 105,000 \times 11.5 + \$25,000 = \$669,008.05$

Offset Account (if any).

4. Your Disablement Benefits

Total & Permanent Disablement Benefit

A Total & Permanent Disablement Benefit will be payable if the Trustee determines that you meet the definition of Total & Permanent Disablement as set out in the IAG Superannuation Plan Benefit Deed.

Refer to the definition of Total & Permanent Disablement detailed in Section 5. Definitions.

Your Total & Permanent Disablement Benefit is a pension benefit calculated in the same way as your Retirement Benefit, assuming you had remained in the plan until your Normal Retirement Date.

Please refer to the IAG Lifetime Pension Handbook to understand the benefits of a Lifetime Pension, and call Australian Retirement Trust on **13 11 84** if you would like some advice.

You can elect to take your benefit as a Lifetime Pension, Lump sum or as an income stream from a Super Savings Income account.

You must notify the Trustee of your selection generally within 30 days after ceasing employment. If you do not notify your selection within that timeframe, the Trustee will make the selection for you.

Income Protection Benefit

If you become temporarily Totally Disabled or Partially Disabled, you will receive an Income Protection benefit payable as a monthly benefit of up to 89% of your Pre-Disability Salary (less offsets) after a Waiting Period. Your monthly benefit is paid:

- 80% to you as income, and
- 9% to your *Additional Accumulation account* as a superannuation contribution,

for a Benefit Period up to 2 years after a Waiting Period of 28 days.

While you receive an income protection payment, you do not have to make standard contributions to the Plan. Your benefit entitlements are maintained as if you were contributing to the plan.

Any benefit payments paid as a superannuation contribution will count towards your concessional contributions cap. This may have tax implications for you.

If you're an eligible employee, you will automatically receive this amount of Income Protection cover up to \$240,000 per annum. This is known as the Automatic Acceptance Limit (AAL). Australian Retirement Trust will let you know what is required if Standard cover is not available to you or your cover is over the AAL.

Waiting Period

The Waiting Period is the number of continuous days which must elapse before becoming eligible to claim a benefit. The Waiting Period commences from the date a *Medical Practitioner* certifies you are *Totally Disabled* and unable to work as determined by the insurer. Benefit payments will commence when the Waiting Period ends and are paid monthly in arrears.

The *Benefit Period* is the maximum length of time that a claim will be paid for.

If you are in receipt of a monthly payment, you do not have to make standard contributions to the Plan. Your benefit entitlements are maintained as if you were contributing to the plan.

What benefit is paid out?

An Income Protection benefit is payable if you are Totally Disabled or Partially Disabled after the Waiting Period has ended. The maximum Total Disability benefit is the lower of:

- your insured amount less any offsets,
- 89% of your Pre-Disability Salary (less any offsets),
- 80% is paid as income and 9% of your Pre-Disability Salary is paid as a superannuation contribution, and
- \$600,000¹ per annum.

The total claim payment period for any one illness or injury is limited to your Benefit Period.

If your claim is accepted, benefit payments will commence when the Waiting Period ends and are paid monthly in arrears. A reduced monthly Income Protection benefit may be payable if you become Partially Disabled. The benefit may also be reduced by income received by alternate income sources, refer to offsets detailed previously.

If you are on Unpaid Leave or parental leave, your benefit is based on your most recent Salary provided by your employer immediately prior to starting leave.

Benefits paid under the Income Protection benefit may be subject to Pay As You Go (PAYG) tax. This will be deducted prior to payment.

Whilst on claim Income Protection premiums are waived. Any claim for your Income Protection benefit is assessed independently of any Total & Permanent Disability claim.

1. The maximum level of Income Protection cover available is \$600,000 per annum. Your Income Protection benefit will be calculated as 80% of your Salary (plus a 9% superannuation contribution) up to \$30,000 per month; then 25% of your Salary thereafter up to the maximum benefit of \$50,000 per month.

5. Definitions

This section defines the various components which are included in the calculation of your Defined Benefit.

Activities

Means:

(i) **Mobility:** The ability to:

- Bend, kneel or squat to pick something up from the floor and straighten up again and get into and out of a standard sedan car; or
- To walk more than two hundred (200) metres at normal pace on a level surface without stopping due to breathlessness as a result of a medical condition or angina.

(ii) **Hearing:** the ability to hear such that an audiologist can certify that the Insured Member has a hearing ability of less than or equal to 40db in the better ear (averaged over the frequencies 0.5, 1, 2 and 3Khz) in an audiometry test.

(iii) **Communicating through speech:** The ability to speak with sufficient clarity to be able to hold a conversation in a quiet room in the Insured Member's first language. This involves understanding a simple message and relaying that message to another person.

(iv) **Seeing:** the ability to see even when tested with visual aids, such that an ophthalmologist can certify that the Insured Member's visual acuity is better than 6/60 in the better eye or a visual field of greater than 10 degrees (i.e. not legally blind).

(v) **Lifting and carrying:** The ability to lift (from bench height) and carry a 5kg weight a distance of ten (10) meters and place the item back down at bench height

(vi) **Manual dexterity:** The ability to use:

- At least one hand to pick up and/or manipulate small objects such as picking up a coin from a desk, using cutlery or fastening buttons; or
- A pen or pencil or keyboard to write a short note that can be understood by another person.

For the purpose of assessing a Total & Permanent Disability claim, where you are unable to perform one or more of the Activities upon commencement of cover, that Activity shall not be taken into consideration for Total & Permanent Disability assessment.

Actual Salary

Equivalent to your Plan Salary but based on your actual hours worked.

Commutation Factor

For all members under the age of 65 the commutation factor is 11.5.

For all members over the age of 65 the commutation factor is an amount determined by the Plan Actuary that is compatible with a factor of 11.5 at age 65.

Final Average Salary

Means either:

- (a) the average Plan Salary during the 3 years immediately prior to ceasing employment and, where your service is less than 3 years, means your Plan Salary, expressed as an average annual amount; or
- (b) where your Plan Salary is reduced and the hours of employment remain unchanged, the highest three-year average Plan Salary during the last 10 years before you ceased employment.

Normal Retirement Benefit Multiple

Calculated in the same way as your Benefit Multiple as if you had retired on your Normal Retirement Date, to a maximum of 66 2/3%.

Normal Retirement Date

Your 65th birthday

Plan Salary

Your Plan Salary is your annual salary as determined by your Employer and notified to the Trustee from time to time.

Your Plan Salary is generally equal to your annual remuneration including any director's fees relating to work done during normal hours, but excludes entertainment allowances, bonuses, commissions, holiday pay loading, specific payments and payments for overtime.

If you are a part-time Employee your Plan Salary is your full-time equivalent Plan Salary.

Vesting Factor

Equal to your months of completed service divided by the months of completed service that would have been completed had you retired 5 years prior to your Normal Retirement Date

Total and Permanent Disablement

The components you are assessed against is dependent whether you are an active employee. Total and Permanent Disablement means:

Parts (a), or (b), or (c), or (d) and Part (f)

(a) Unlikely to engage in work

You:

- (i) have been absent from your occupation solely through illness or injury for a period of six consecutive months,
- (ii) have been regularly attending a Medical Practitioner and undertaking medical treatment reasonably recommended by that Medical Practitioner with respect to that illness or injury since ceasing work in your occupation solely through illness or injury, and
- (iii) are incapacitated to such an extent that, in the opinion of the insurer and the Trustee, after consideration of 'medical and other relevant evidence', you are, at the end of the initial period of six consecutive months absence from your occupation, unlikely to ever engage in or work (on a full time or part time employment basis) in any occupation for which you are reasonably suited by education, training or experience.

or

(b) Specific loss

You suffer, as a result of illness or injury:

- (i) the total and permanent loss of the use of two limbs; or
- (ii) blindness in both eyes; or
- (iii) the total and permanent loss of one limb and blindness in one eye;

where 'limb' means the whole hand below the wrist or whole foot below the ankle; and 'blindness' means the permanent loss of sight to the extent that visual acuity is 6/60 or less, or to the extent that the visual field is reduced to 20 degrees or less of arc.

or

(c) Unable to do basic activities associated with work ever again

Where at the Date of Disablement:

- (i) you have not, as a result of an injury or sickness, been able to perform at least three Activities for a period of three consecutive months after the occurrence of the injury or sickness; and,
- (ii) you are under the care of, and following the advice of, a registered Medical Practitioner; and
- (iii) the insurer, after considering all relevant evidence which is reasonably available, then determines that it is likely, due to the injury or sickness, that you are totally and permanently unable to perform (with Aids and adaptations) at least three Activities.

or

(d) Medical Conditions (Specific illness)

All of the following sub-paragraphs (i), (ii), (iii) and (iv) apply to you:

- (i) you were, on the Date of Disablement, aged 64 years or less; and
- (ii) you are absent from all work as a result of suffering cardiomyopathy, primary pulmonary hypertension, major head trauma, motor neurone disease, multiple sclerosis, muscular dystrophy, paraplegia, quadriplegia, hemiplegia, diplegia, tetraplegia, dementia and Alzheimer's disease, Parkinson's disease, blindness, loss of speech, loss of hearing, chronic lung disease or severe rheumatoid arthritis - Refer to Medical Condition Definitions for further details; and
- (iii) the insurer and the Trustee consider, on the basis of medical and other evidence satisfactory to the insurer and the Trustee, that you are unlikely ever to be able to engage in any occupation, whether or not for reward; and
- (iv) you are likely to be so disabled for life.

and

(f) Permanent incapacity

You are incapacitated to such an extent that, in the insurer's and the Trustee's opinion (after consideration of medical and other relevant evidence) makes it unlikely that you will engage in work for reward in any occupation for which you are reasonably qualified by education, training or experience.

'**medical and other relevant evidence**' includes, but is not limited to:

- (i) the prospect of improvement in your capacity after treatment and rehabilitation that could reasonably be expected to be undertaken by you, and
- (ii) whether reasonable retraining or re-skilling would render you able to engage in or work (on a full-time or part-time basis) in any occupation for which you are reasonably suited by education, training or experience.

'**occupation**' means an occupation that you can reasonably perform, on a full-time or part-time basis, based on the skills or knowledge you have acquired through previous education, training or experience.

'**part time**' means engaged in permanent employment for at least 15 hours per week.

APPENDIX E: Category E – Ex-SGIO

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1. Contributions

Member contributions to your Defined Benefit

Contributory members

Your rate of member contributions directly impacts the value of your Defined Benefit. Unless you instruct your employer's payroll otherwise, you will pay contributions from your salary at the same rate as you did in the Former Plan immediately before transferring to the IAG Superannuation Plan.

You may choose to pay more or less than this current rate. The Contribution Rate Options available are 3%, 4% and 5%.

You can pay your contributions by after tax contributions or, with your employer's agreement, you can pay the contributions by salary sacrifice. On transfer to Australian Retirement Trust, until you and the employer agree otherwise, your member contributions will continue to be paid in the same way (after tax or by salary sacrifice) as they were paid before the transfer.

The contributions you make at your elected Contribution Rate Option from time to time determine your Accrued Benefit Multiple.

Your Accrued Benefit Multiple is calculated in accordance with the following formula:

Your Fund Multiple plus your Former Fund Multiple.

Fund multiple

Your Fund Multiple in the IAG Superannuation Plan can be calculated as your accrual rate, multiplied by the number of years of full-time membership of the Plan (including part years) at one or more the contribution rates. The accrual rate is adjusted for period of part-time membership.

The accrual rate for each Contribution Rate Option is shown below:

Member account	Vesting percentage
3%	12%
4%	16%
5%	20%

Your Former Plan Multiple will be as advised by the Former Plan Trustee.

Example

Lachlan was a continuous member of the Former Plan for 19 years, and the IAG Superannuation Plan for 1 year which was a combined membership of 20 years. Of those 20 years, his rate of contribution for 14 years was 3% and for the last 6 years his rate of contribution was 5%.

Using the above formula Lachlan's:

Former Fund Multiple advised is 2.68
(14 x 12% + 5 x 20%)

Fund multiple is 1 year x 20% = 0.20

Accrued Benefit Multiple is 2.68 + 0.20 = 2.88

Retained members

You are not required to make Member contributions to the Plan.

Employer account

The Employer account accumulates the equivalent of 13% of your salary each year, less an allowance for tax. This account is invested in the IAG Defined Benefit Investment Option.

2. Your benefits

Retirement Benefits

Eligibility for Retirement Benefit

When you retire from employment with your IAG employer (other than retirement due to Total & Permanent Disability), you will be entitled to your Retirement Benefit.

Amount of Retirement Benefit

If you retire on or before your 65th birthday, the benefit payable will be equal to the sum of your Defined Benefit account subject to a minimum of your SGIO Guarantee Benefit as at the date of retirement.

If you retired after the age of 65, the lump sum will be an amount equal to your Retirement Benefit calculated as at your 65th birthday together with investment earnings based on the IAG Defined Benefit Investment Option on that amount for the period of membership after your 65th birthday.

Defined Benefit Account and SGIO Guarantee Benefit are explained in Section 5 Definitions.

Accumulation benefit

If you continue to be employed after you become entitled to a Retirement Benefit, you may elect at any time for your benefit to be determined as an accumulation benefit. In this instance, the Trustee will allocate your Defined Benefit to an accumulation account for you. See the Super Savings Accumulation Guide for more information about accumulation accounts.

Retained Benefits

Members receiving a benefit where they cease employment before their 65th birthday (other than due to Total & Permanent Disablement), may elect to retain their membership as a Retained Member. You must notify the Trustee generally within 30 days after ceasing employment for this to apply.

If you elect to retain your benefit, your Retained Benefit is the sum of Retirement Benefit at the date of ceasing employment together with investment earnings based on the IAG Defined Benefit Investment Option on that amount.

3. Your Death Benefit

This section outlines the Death Benefit payable if you die before you become entitled to a Retirement Benefit.

What benefit is payable if I die?

If you die on or after the age of 65, your Death Benefit will be the lump sum equal to your Retirement Benefit.

If you die before the age of 65, your Death Benefit will be the lump sum equal to the sum of your Defined Benefit account plus your Insured Amount subject to a minimum of your SGIO Guarantee Benefit as at the date of death.

An Additional Death Benefit of \$15,000 may be payable on top of your Death Benefit if you die before the age of 70.

Insured amount is explained in Section 5 Definitions.

If you are a Retained member

Your Death Benefit is the sum of your Retained Benefit plus your Insured Amount.

4. Your Disablement Benefits

Total & Permanent Disablement Benefit

A Total & Permanent Disablement Benefit will be payable if the Trustee determines that you meet the definition of Total & Permanent Disablement as set out in the IAG Superannuation Plan Benefit Deed.

Refer to the definition of Total & Permanent Disablement detailed in Section 5. Definitions.

Your Total & Permanent Disablement Benefit will be the sum of your Defined Benefit account plus your Insured Amount subject to a minimum of your SGIO Guarantee Benefit as at the date of disablement.

If you are a Retained member

Your Total & Permanent Disablement Benefit is the sum of your Retained Benefit plus your Insured Amount.

Income Protection Benefit

Contributory members

If you become temporarily Totally Disabled or Partially Disabled, you will receive an Income Protection benefit payable as a monthly benefit of up to 85% of your Pre-Disability Salary (less offsets) after a Waiting Period. Your monthly benefit is paid:

- 75% to you as income, and
- 10% to your Additional Accumulation account as a superannuation contribution,

for a Benefit Period up to 2 years after a Waiting Period of 84 days.

While you receive an income protection payment, you do not have to make standard contributions to the Plan. Your benefit entitlements are maintained as if you were contributing to the plan.

Any benefit payments paid as a superannuation contribution will count towards your concessional contributions cap. This may have tax implications for you.

If you're an eligible employee, you will automatically receive this amount of Income Protection cover up to \$240,000 per annum. This is known as the Automatic Acceptance Limit (AAL). Australian Retirement Trust will let you know what is required if your cover is over the AAL.

Retained members

Are not eligible for an Income Protection Benefit.

Waiting Period

The Waiting Period is the number of continuous days which must elapse before becoming eligible to claim a benefit. The Waiting Period commences from the date a Medical Practitioner certifies you are Totally Disabled and unable to work as determined by the insurer. Benefit payments will commence when the Waiting Period ends and are paid monthly in arrears.

The Benefit Period is the maximum length of time that a claim will be paid for.

If you are in receipt of a monthly payment, you do not have to make standard contributions to the Plan. Your benefit entitlements are maintained as if you were contributing to the plan.

What benefit is paid out?

An Income Protection benefit is payable if you are Totally Disabled or Partially Disabled after the Waiting Period has ended. The maximum Total Disability benefit is the lower of:

- your insured amount less any offsets,
- 85% of your Pre-Disability Salary (less any offsets),
- 75% is paid as income and 10% of your Pre-Disability Salary is paid as a superannuation contribution, and
- \$600,000¹ per annum.

The total claim payment period for any one illness or injury is limited to your Benefit Period.

If your claim is accepted, benefit payments will commence when the Waiting Period ends and are paid monthly in arrears. A reduced monthly Income Protection benefit may be payable if you become Partially Disabled. The benefit may also be reduced by income received by alternate income sources, refer to offsets detailed previously.

If you are on Unpaid Leave or parental leave, your benefit is based on your most recent Salary provided by your employer immediately prior to starting leave.

Benefits paid under the Income Protection benefit may be subject to Pay As You Go (PAYG) tax. This will be deducted prior to payment.

Whilst on claim Income Protection premiums are waived. Any claim for your Income Protection benefit is assessed independently of any Total & Permanent Disability claim.

1. The maximum level of Income Protection cover available is \$600,000 per annum. Your Income Protection benefit will be calculated as 75% of your Salary (plus a 9% superannuation contribution) up to \$30,000 per month; then 25% of your Salary thereafter up to the maximum benefit of \$50,000 per month.

5. Definitions

This section defines the various components which are included in the calculation of your Defined Benefit.

Activities

Means:

(i) **Mobility:** The ability to:

- Bend, kneel or squat to pick something up from the floor and straighten up again and get into and out of a standard sedan car; or
- To walk more than two hundred 200 metres at normal pace on a level surface without stopping due to breathlessness as a result of a medical condition or angina.

(ii) **Hearing:** the ability to hear such that an audiologist can certify that the Insured Member has a hearing ability of less than or equal to 40db in the better ear (averaged over the frequencies 0.5, 1, 2 and 3Khz) in an audiometry test.

(iii) **Communicating through speech:** The ability to speak with sufficient clarity to be able to hold a conversation in a quiet room in the Insured Member's first language. This involves understanding a simple message and relaying that message to another person.

(iv) **Seeing:** the ability to see even when tested with visual aids, such that an ophthalmologist can certify that the Insured Member's visual acuity is better than 6/60 in the better eye or a visual field of greater than 10 degrees (i.e. not legally blind).

(v) **Lifting and carrying:** The ability to lift (from bench height) and carry a 5kg weight a distance of ten (10) meters and place the item back down at bench height

(vi) **Manual dexterity:** The ability to use:

- At least one hand to pick up and/or manipulate small objects such as picking up a coin from a desk, using cutlery or fastening buttons; or
- A pen or pencil or keyboard to write a short note that can be understood by another person.

For the purpose of assessing a Total & Permanent Disability claim, where you are unable to perform one or more of the Activities upon commencement of cover, that Activity shall not be taken into consideration for Total & Permanent Disability assessment.

Actual Salary

Equivalent to your Plan Salary but based on your actual hours worked.

Defined Benefit Account

The sum of your Member, Employer, and Transfer accounts.

Final Average Salary

Equal to the average of your Plan Salary over the last two years preceding the date of calculation.

Insured Amount

Equal to your units of cover as advised by the former fund trustee times 5% times Plan Salary times the remaining period from the date of calculation to age 65 in years and complete months.

If you are a Retained member your Insured Amount is a fixed amount equal to your Insured amount at the date you ceased employment.

Plan Salary

Your Plan Salary is the total annual value of your salary package as determined by your Employer and notified to the Trustee from time to time.

Your salary package generally includes tool of trade car allowance, regular shift allowance and district allowance, but excludes any other bonus, overtime, commission, incentive, reimbursement of expenses or other special payments.

SGIO Guarantee Benefit

For Contributory members:

- If you are still employed and under age 65, your SGIO Guarantee Benefit is equal to your Final Average Salary times your Accrued Benefit Multiple plus your T-Value Account.
- If you have ceased employment with your employer and are under age 65, your SGIO Guarantee Benefit is equal to the sum of:
 - (i) your Final Average Salary times your Accrued Benefit Multiple at date of cessation indexed at 1 July each year by CPI plus 2%,
 - (ii) your T-Value Account
 - (iii) your Defined Benefit Account

For Retained members:

- If you are under age 65, your SGIO Guarantee Benefit is equal to the sum of:
 - (i) your Final Average Salary times your Accrued Benefit Multiple at date of cessation indexed at 1 July each year by CPI plus 2%,
 - (ii) your T-Value Account
 - (iii) your Defined Benefit Account

For both Contributory and Retained members:

On reaching age 65 the higher of your SGIO Guarantee Benefit and your Defined Benefit Account is added to your Additional Accumulation account and your SGIO Guarantee Benefit ceases to apply.

T-Value Account

The T-Value account balance as advised by Former Fund Trustee together with investment earnings based on the IAG Defined Benefit Investment Option on that amount.

Total and Permanent Disablement

The components you are assessed against is dependent whether you are an active employee. Total and Permanent Disablement means:

Parts (a), or (b), or (c), or (d) and Part (f)

(a) Unlikely to engage in work

You:

- (i) have been absent from your occupation solely through illness or injury for a period of six consecutive months,
- (ii) have been regularly attending a Medical Practitioner and undertaking medical treatment reasonably recommended by that Medical Practitioner with respect to that illness or injury since ceasing work in your occupation solely through illness or injury, and
- (iii) are incapacitated to such an extent that, in the opinion of the insurer and the Trustee, after consideration of 'medical and other relevant evidence', you are, at the end of the initial period of six consecutive months absence from your occupation, unlikely to ever engage in or work (on a full time or part time employment basis) in any occupation for which you are reasonably suited by education, training or experience.

or

(b) Specific loss

You suffer, as a result of illness or injury:

- i) the total and permanent loss of the use of two limbs; or
- ii) blindness in both eyes; or
- iii) the total and permanent loss of one limb and blindness in one eye;

where 'limb' means the whole hand below the wrist or whole foot below the ankle; and 'blindness' means the permanent loss of sight to the extent that visual acuity is 6/60 or less, or to the extent that the visual field is reduced to 20 degrees or less of arc.

or

(c) Unable to do basic activities associated with work ever again

Where at the Date of Disablement:

- (i) you have not, as a result of an injury or sickness, been able to perform at least three Activities for a period of three consecutive months after the occurrence of the injury or sickness; and,
- (ii) you are under the care of, and following the advice of, a registered Medical Practitioner; and
- (iii) the insurer, after considering all relevant evidence which is reasonably available, then determines that it is likely, due to the injury or sickness, that you are totally and permanently unable to perform (with Aids and adaptations) at least three Activities.

or

(d) Medical Conditions (Specific illness)

All of the following sub-paragraphs (i), (ii), (iii) and (iv) apply to you:

- (i) you were, on the Date of Disablement, aged 64 years or less; and
- (ii) you are absent from all work as a result of suffering cardiomyopathy, primary pulmonary hypertension, major head trauma, motor neurone disease, multiple sclerosis, muscular dystrophy, paraplegia, quadriplegia, hemiplegia, diplegia, tetraplegia, dementia and Alzheimer's disease, Parkinson's disease, blindness, loss of speech, loss of hearing, chronic lung disease or severe rheumatoid arthritis - Refer to Medical Condition Definitions for further details; and
- (iii) the insurer and the Trustee consider, on the basis of medical and other evidence satisfactory to the insurer and the Trustee, that you are unlikely ever to be able to engage in any occupation, whether or not for reward; and
- (iv) you are likely to be so disabled for life.

and

(f) Permanent incapacity

You are incapacitated to such an extent that, in the insurer's and the Trustee's opinion (after consideration of medical and other relevant evidence) makes it unlikely that you will engage in work for reward in any occupation for which you are reasonably qualified by education, training or experience.

'**medical and other relevant evidence**' includes, but is not limited to:

- (i) the prospect of improvement in your capacity after treatment and rehabilitation that could reasonably be expected to be undertaken by you, and
- (ii) whether reasonable retraining or re-skilling would render you able to engage in or work (on a full-time or part-time basis) in any occupation for which you are reasonably suited by education, training or experience.

'**occupation**' means an occupation that you can reasonably perform, on a full-time or part-time basis, based on the skills or knowledge you have acquired through previous education, training or experience.

'**part time**' means engaged in permanent employment for at least 15 hours per week.



Australian Retirement Trust

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