Australian Retirement Trust

Super Savings – Corporate

Defined Benefit Handbook

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NRMA Superannuation Plan

NRMA

australianretirementtrust.com.au

Contents

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.

Australian Retirement Trust is the superannuation fund that National Roads and Motorists' Association Ltd (NRMA) and the other employers that participate in the Plan have chosen to manage their Defined Benefit plan. NRMA are not responsible for the preparation of this document. They are not providing advice or a recommendation in relation to your benefit in the NRMA Superannuation Plan.

This Handbook contains information about the specific features of the NRMA Superannuation Plan (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 & NRMA Superannuation Plan (Former Fund).

The details of the Defined Benefits in the NRMA Superannuation Plan are documented in the NRMA Superannuation Plan Benefit Deed, which is an agreement between Australian Retirement Trust Pty Ltd (the Trustee) and NRMA Pty Limited (the Principal Employer). Your benefits are governed by the NRMA Superannuation Plan Benefit Deed, and by the terms and conditions of the Trustee of Australian Retirement Trust 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 NRMA Superannuation Plan Benefit Deed or group life policies, then the Trust Deed provisions, NRMA Superannuation Plan Benefit Deed or group life policies will override this Handbook.

Insurance

Your Defined Benefit Death and *Total & Permanent Disablement* and Income Protection benefits are funded from the Defined Benefit assets within the NRMA 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. 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 NRMA Superannuation Plan

This Handbook outlines the arrangements for Defined Benefit members within the NRMA Superannuation Plan. The Defined Benefit categories are closed to new members. A separate Super Savings – Corporate Product Disclosure Statement for Accumulation Account (PDS) outlines the arrangements within the NRMA Superannuation Plan that apply for Accumulation members.

You remain a member of the NRMA Superannuation Plan while you meet the eligibility conditions under the NRMA 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 NRMA 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. As a member, your Defined Benefit may also be subject to a minimum benefit to ensure compliance with the *Superannuation Guarantee (Administration) Act 1992*.

Your Defined Benefit will be available as a lump sum on leaving employment.

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 NRMA 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, became a Defined Benefit member of the NRMA Superannuation Plan on transfer to the NRMA Superannuation Plan.

2. 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 NRMA 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.

Fund Multiple

Your Fund Multiple in the NRMA 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.

Example

Dave was a continuous member of the Former Fund for 19 years, and the NRMA Superannuation Plan for 1 year which was 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 NRMA Superannuation Plan.

Using the above formula Dave'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

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 NRMA Defined Benefit Option.

Defined Benefit contributions

Your employer, on the advice of the NRMA 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 NRMA 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.

How Super is taxed

Concessional contributions cap

The Government sets limits ("caps") on the amount of superannuation contributions which benefit from the maximum tax concessions provided on superannuation contributions. It also sets limits on the amount of non-concessional (after-tax) contributions that can be made to a complying superannuation fund.

For 2023-24 the concessional contributions cap is $27,500 p.a. Commencing from 1 July 2018, unused portions of the concessional contributions cap can be rolled over to future years, subject to certain conditions.

The contributions your employer pays to fund your Defined Benefit is required to contribute to the Plan to provide your benefits may vary from year to year. As such, it is impractical to report actual contributions remitted to the Plan by your employer and a formula is used to determine your Notional Taxed Contributions for reporting purposes.

The formula allows you to calculate if you are able to make any voluntary concessional contributions and not exceed the concessional contributions cap (as described above). If your Notional Taxed Contributions exceed the concessional contributions cap, then it is limited to the cap for reporting purposes.

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, and
- Your contributions – whether you contribute required member contributions to the Plan and if they are concessional or non-concessional contributions.

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

Should you leave employment during the financial year, the formula is also pro-rated for the number of days you participate as a Defined Benefit member in the Plan.

The Administration fee paid by your employer on your Additional Accumulation account, of 0.05% p.a. of your account balance, counts towards the concessional contributions cap and Division 293 tax assessment.

Non-concessional contributions cap

For 2023-24, the non-concessional (after-tax) contribution cap is generally $110,000 p.a. You may be able to contribute up to $330,000 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 from 2023-24) your non-concessional contributions cap for the next 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 contributions cap does not include downsizer contributions - refer to Super Savings Accumulation Guide for more information.

For further information on the Government's limits on non-concessional contributions, **visit ato.gov.au**

Please seek financial advice if you are considering making large non-concessional contributions to your superannuation.

Division 293 tax

Any additional government surcharges or taxes (e.g. a Division 293 tax assessment payable if your income, including concessional contributions, exceeds the threshold set by the Government which is currently $250,000), will be deducted from your Additional Accumulation account.

If you do not have an Additional Accumulation account, we may set up an Offset Account for you. An Offset Account is an accumulation-style account that reduces the value of your defined benefits when they become payable.

Your Offset Account is invested in the same investment option as Defined Benefit assets. This means that your Offset Account may increase over time, so the amount deducted from your final benefit may be more than the government surcharge or tax.

Tax deductions for after-tax voluntary contributions

If you claim a tax deduction for any after-tax voluntary contributions made to your Additional Accumulation account, it becomes a concessional contribution and counts toward the concessional contribution cap. You should seek financial advice if you are considering claiming a tax deduction for your after-tax voluntary contributions.

3. How we invest your money

Defined Benefit investment

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

Additional Accumulation account

Australian Retirement Trust will not rebalance your investment allocation. You may need to take a more active role in choosing your investment options for your Additional Accumulation account to ensure it meets your requirements. You can select from our full range of investment options consisting of diversified (Growth, Balanced, Retirement and Conservative) and single asset class options (Shares, Property, Fixed Interest and Cash). We offer actively managed and index options, hedged and unhedged (currency) options and special options.

If you have two or more investment options, you may wish to rebalance your portfolio on a periodic basis. Rebalancing simply means bringing the weighting of each investment option in your portfolio back into line with your original selection, by moving money from one option to another.

If you don't make an investment choice we will invest your Additonal Accumulation account in our MySuper investment option - the Lifecycle Investment Strategy.

For information on investment options and investment risk refer to the Super Savings Investment Guide, available at **art.com.au/nrma**

4. Your benefits

The NRMA Superannuation Plan may provide you benefits payable on retirement, leaving service, retrenchment, death, permanent disablement, or temporary disablement.

This section provides general information about your benefits upon ceasing employment.

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. This account will be invested in the NRMA Defined Benefit Reserves Investment Options, subject to a minimum investment return of 0% until we have sufficient information to fully process your benefit. At that time this account will be combined with your Additional Accumulation account and invested according to your investment choice if you have selected and investment option for your Additional Accumulation account.

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 Super Savings for Ex-IAG & NRMA or paid to another fund.

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.
Call **13 11 84** if you want to speak to one of our qualified financial advisers[1] who can give you advice. Advice about your account is included with your membership. For more comprehensive advice, we may refer you to an accredited external financial adviser.[2] Advice of this nature may incur a fee. You can find out more about financial advice options at **art.com.au/advice/options**

1 Employees in the Australian Retirement Trust group provide advice to members and employers as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS), that is wholly owned by the Trustee as an asset of Australian Retirement Trust. SFS is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide (pdf) at **australianretirementtrust.com.au/fsg** for more information.

2 Australian Retirement Trust has established a panel of accredited external financial advisers who are not employees of Australian Retirement Trust. Australian Retirement Trust is not responsible for the advice provided by these advisers and does not receive or pay any referral fees. These advisers will explain to you how their advice fees are determined.

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

If you become entitled to a benefit prior to your preservation age, you may transfer the amount of the benefit to a Super Savings Accumulation account, or to another complying superannuation fund. If you do not make a choice your benefit will be transferred to Super Savings for Ex-IAG & NRMA.

Lump sum benefits can only be paid to you as cash if you qualify under the preservation rules. Generally you will qualify where you've reached your "preservation age", between 55 and 60 depending on when you were born, and, if you are under age 60 at the time you cease employment, and you are permanently retiring from the workforce. Lump sum benefits are tax free from age 60. From your preservation age to age 60 they are tax free up to the current Low Rate Cap. For further information please refer to the Super Savings Accumulation Guide, available at **art.com.au/nrma**

Any lump sum benefit can be:

- Taken in cash (if you qualify under the preservation rules),
- 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/nrma**

Retirement Benefits

When you retire from employment with NRMA 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 an amount equal to your Accrued Retirement Benefit calculated as at your 70th birthday together with investment earnings based on the NRMA 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

Dave 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

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

Resignation Benefits

When you leave the employment of NRMA 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 payable is calculated as at the date of you ceasing employment.

If you have only been a Non-contributory member

Your benefit is 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) plus 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

Dave stopped working for NRMA 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.

Dave'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 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 NRMA 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 NRMA 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 NRMA 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.

5. Early release of your Defined Benefit

Your super can generally be accessed when you stop working after age 60 (or earlier if you've reached your preservation age, between 55-60 depending on when you were born), 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 **australianretirementtrust.com.au/early-access** or contact us.

6. Election to convert to accumulation

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

Choosing to cease your defined benefit is a decision that can't be reversed. Before making an election, you should call us on **13 11 84** to understand the impact the decision will have on your benefits.

7. Your Death Benefit

This section outlines what happens to your Death Benefit payable if you die while still employed by NRMA or a participating employer.

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 NRMA 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 Trustree 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 nominaion is invalid, the Trustee wil 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 disuss the implications with you 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?

A *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 *Medical Practitioners* (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 (up to a maximum 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 defined 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 at no cost

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); 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

Dave dies at age 54.

Dave 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.

Dave'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.

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

a) 3.36 x $145,000 = $487,200; or

b) 85,000 + 170% x $85,000 + $25,000 + 110% x $25,000 + $105,000 = $387,000; or

c) 4 x $150,000 = $600,000

Dave's Death Benefit is $600,000

Dave'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 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.

8. Your Disablement Benefits

Total & Permanent Disablement Benefit

A *Total & Permanent Disablement* Benefit will be payable if the Trustee determines that the injury or illness meets the definition of *Total & Permanent Disablement* as set out in the NRMA Superannuation Plan Benefit Deed.

Total & Permanent Disablement means you have, as a result of an injury which occurred, or an illness which commenced, while you were working for NRMA 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.

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

Your Total and Permanent Disability 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 and 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 *Totally & Permanently Disabled*.

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 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 ***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 Super Savings for Ex-IAG & NRMA 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 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 Income Protection cover is over the AAL.

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.

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

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 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
- $600,000[1] per annum.

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

If 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 below.

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 Your Income Protection benefit will be calculated as 75% 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.

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] x 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 at no cost.

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 & 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.

9. Death and Total & Permanent Disability conditions & exclusions

Automatic Acceptance Limits

If you're an eligible employee, you will automatically receive Death and *Total & Permanent Disability* benefits.

The maximum amount of automatic benefits 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 Standard 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 and/or Total & Permanent Disability 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,
- 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
- you permanently depart Australia.

General exclusions for Death and Total & Permanent Disability 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. 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 NRMA Superannuation Plan to another superannuation fund at any time.

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.

If you need some financial advice and help deciding what you should do in the short-term as well as a long-term plan, please don't hesitate to contact one of our qualified financial advisers[1] on **13 11 84**. They can help you with a tailored financial plan.

1 Employees in the Australian Retirement Trust group provide advice to members and employers as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS), that is wholly owned by the Trustee as an asset of Australian Retirement Trust. SFS is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide (pdf) at **australianretirementtrust.com.au/fsg** for more information.

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 insurance benefits.

If you are not an Australian Resident and hold a Visa, you will be covered for up to three years while working overseas for NRMA or other employers that participates in the Plan, if such working arrangements are 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.

11. 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 and does not provide a Lifetime 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**.

12. 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.

If you need some financial advice and help deciding what you should do in the short-term as well as a long term plan, please don't hesitate to contact one of our dedicated qualified financial advisers.

Call **13 11 84** to speak to one of our phone based qualified financial advisers[1] who can give you advice about your Super Savings - Corporate Defined Benefit account. This advice is included in your membership. For more comprehensive advice, we may also refer you to an accredited external financial adviser[2]. Advice of this nature may incur a fee.

1 Employees in the Australian Retirement Trust group provide advice to members and employers as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS), that is wholly owned by the Trustee as an asset of Australian Retirement Trust. SFS is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide (pdf) at **australianretirementtrust.com.au/fsg** for more information.

2 Australian Retirement Trust has established a panel of accredited external financial advisers who are not employees of Australian Retirement Trust. Australian Retirement Trust is not responsible for the advice provided by these advisers and does not receive or pay any referral fees. These advisers will explain to you how their advice fees are determined.

13. Definitions for understanding your retirement benefit

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.

14. Definitions

General and Insurance Terms

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 Disability* 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 Conditons* (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 Practioner

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.

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 NRMA 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.

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.

Australian Retirement Trust

13 11 84 australianretirementtrust.com.au

13 11 84 (+61 7 3333 7400 when overseas)

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Need assistance? Call our translation service on 13 14 50 and say one of the following languages at the prompt: **Italian**, **Chinese**, **Vietnamese**, **Korean**, or **Arabic**.

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