

Applying for terminal illness benefits

The Government has special rules that allow a person with a terminal illness* to have their money released from their super tax-free to be used as they wish. Applying for the release of super on the grounds of a terminal illness will allow you to quickly access this money if this situation applies to you.

How is terminal illness defined?

A person is considered terminally ill if two doctors certify the person is likely to die within 12 months. The legislative definition is:

- a. *two registered medical practitioners have certified, jointly or separately, that you suffer from an illness, or have incurred an injury, that is likely to result in your death within a period (the certification period) that ends not more than 12 months after the date of certification;*
- b. *at least one of the registered medical practitioners is a specialist practicing in an area related to the illness or injury suffered by the person;*
- c. *for each of the certificates, the certification period has not ended.*

How much would you be entitled to?

If you are assessed as terminally ill, you are entitled to cash-out your entire Sunsuper account balance. Additionally, if you have life insurance cover, you could apply to receive the amount you are insured for, generally up to a total of \$3 million (please refer to the *Product Disclosure Statement (PDS)* for more information). Any Death cover you have over this amount will remain as your new life insurance cover, provided premiums continue to be paid and a minimum balance is maintained, otherwise your insurance will stop once the benefit has been paid.

It's important to note that not every member of Sunsuper is insured. Check your *Annual statement*, or contact us on **13 11 84** if you are unsure. If you have insurance and you would like to access your entitlements, then you will also need to satisfy the insurer's medical certification requirements. With insurance, generally the medical certification must come from two specialists (please refer to your PDS).

If you are currently receiving an Income Protection payment through Sunsuper, it will continue to be paid, subject to the relevant benefit period, terms and conditions.

How much will I be paid

It is important to understand that any insurance benefit payable is determined at the date of certification. The insurance benefit amounts shown on your Annual Statements or online are as at a specific time and may be different than the amount at the date of certification. It is also important to note that any increases to benefit levels may be subject to 'at work' certification. Refer to the PDS or contact us for further information.

Are there any tax implications?

Before taking your money early, you should investigate whether there may be tax implications for your dependents. (For example, eligibility for anti-detriment payments will change if a benefit amount is cashed out before death.) We recommend you speak to a financial adviser to discuss your options in more detail.

Our qualified financial planners¹ in our Member Advice Centre can help on **13 11 84**.

*A terminal illness may also be referred to as a terminal medical condition as per the tax and superannuation legislation

What happens if you die before the application is processed?

You may want to consider completing a binding death benefit nomination. This will give you certainty about who will receive your death benefit, and in most cases it will also reduce the time taken to pay the benefit to your beneficiaries. Please refer to our *Safeguarding your family - binding death benefit nominations* fact sheet for more information.

THE APPLICATION PROCESS

Four steps are involved in making and assessing an application for terminal illness benefits.

1. Prepare your application

When you advise Sunsuper you want to apply for a terminal illness benefit we will:

- send you the necessary forms for completion; and
- advise you of any other documents and information you need to provide for the application to be assessed.

These documents will include:

- two medical practitioner certificates; and
- certified proof of your age and identity, such as a certified copy of your current drivers licence or passport; and
- an application form.

2. Send in your forms

Collate all the documents requested in Step 1 and send them to Sunsuper. Completing all the forms correctly will save time.

3. Coordination and assessment of your application

We will check your application is complete and contact you if we need further details. If you have insurance, your application will be forwarded to our insurer for initial assessment, and then on to the Trustee. Please note that claims officers do not review medical evidence or make any decision about applications. They will act as a liaison between you and the Sunsuper Trustee and/or the insurer, and answer any questions you may have during the process.

4. Payment of your claim

If the claim is accepted, payment will be made to you by the method you indicate on the application form. You will also receive a *Member benefit* statement. Note: the approval of early release of this benefit does not mean your super has to be cashed-out. You can leave your benefit in your super fund if you wish.

Not sure how best to manage your payment once your claim has been approved? Why not talk to one of our fully qualified financial planners in our Member Advice Centre¹. They can help you choose the most tax effective way to receive your funds. Just call **13 11 84** and ask for the MAC.

¹ Simple advice about super is provided at no additional cost. More detailed advice may incur a fee. All advice is provided by representatives of either Sunsuper Pty Ltd or Sunsuper Financial Services PTY LTD (ABN 50 087 154 818, AFSL No. 227867) a wholly owned subsidiary of Sunsuper.