

Sunsuper for life Corporate

Defined Benefit Handbook

- Category A - Ex-NRMA
- Category B - Ex-RACV
- Category C - Ex-CGU
- Category D - Ex-CGU VACC
- Category E - Ex-SGIO

IAG Superannuation Plan

Issue date: 14 November 2020

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Important information

This is the *Sunsuper for life 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. The information in this *Handbook* forms part of the *Sunsuper for life Corporate Product Disclosure Statement for IAG Superannuation Plan (Defined Benefit Members) (Defined Benefit PDS)* issued on 14 November 2020. The *Defined Benefit PDS* references important information contained in this *Handbook* by 'i'. This *Handbook* may reference important information contained in the following:

- The *Sunsuper for life guide*, containing information about superannuation in general and *Sunsuper for life* in particular,
- The *Sunsuper for life Investment guide*, containing information about the investment options available in the IAG Superannuation Plan.
- The *Sunsuper for life Corporate Lifetime Pension Handbook for IAG Superannuation Plan (Lifetime Pension Handbook)*, containing information about lifetime pension benefit in the IAG Superannuation Plan.

This *Handbook*, the *Defined Benefit PDS*, the *Lifetime Pension Handbook*, the *Sunsuper*

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

Your Defined Benefit Death, Total & 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 MLC Limited ABN 90 000 000 40, ASFL No 230694 (MLC) to the Trustee of the Sunsuper Superannuation Fund. In the event of any difference between the information in this document and the group insurance policies issued by MLC Limited, the group insurance policies override this document.

Sunsuper 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 are not responsible for the preparation of this document. They are 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 Sunsuper, including the specific details of your Defined Benefit, contributions, and death and disablement benefits. This *Handbook* applies to former members of the former 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 Sunsuper 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 the Sunsuper 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*.

for life guide and the *Sunsuper for life Investment guide* are all available at [sunsuper.com.au/iag](https://www.sunsuper.com.au/iag) and should be read before making a decision regarding your benefits.

General advice disclaimer

The information in the *Defined Benefit PDS*, this *Handbook*, the *Lifetime Pension Handbook*, the *Sunsuper for life guide* and *Sunsuper for life Investment guide* is general information only and doesn't take into account your personal objectives, financial situation or needs. You should consider the appropriateness of the information in this *Handbook* with regard to your own personal objectives, financial situation and needs. You should obtain financial advice tailored to your personal circumstances. Call us if you would like to speak to a qualified financial adviser.

Protecting your privacy

Sunsuper respects the privacy of the information you give us. If you require a copy of our Privacy Policy visit [sunsuper.com.au/privacy](https://www.sunsuper.com.au/privacy) or contact us.

Financial Services Guide (FSG)

The *FSG* contains information about the financial services Sunsuper Pty Ltd (ABN 88 010 720 840, AFSL No 228975) provides and will help you decide whether to use these services. Visit [sunsuper.com.au/ftsg](https://www.sunsuper.com.au/ftsg) or contact us for a copy.

1. About the IAG Superannuation Plan

The IAG Superannuation Plan provides benefits for members of the Former Fund who transferred to Sunsuper by a successor fund transfer on 14 November 2020. 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 *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. As a member of the Former Fund, 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 *Sunsuper for life Income account* outside the IAG Superannuation Plan. Information on *Income accounts* can be found in the *Sunsuper for life guide*.

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 *Sunsuper for life 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 Sunsuper.

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 *Sunsuper for life guide* and the *Sunsuper for life 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 *Sunsuper for life 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 2020-21 the concessional contributions cap is \$25,000 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 Trustee needs to report to the Australian Taxation Office Notional Taxed Contributions for your defined benefit participation in the Plan. The level of employer contributions that your employer is required to contribute to the Plan to

provide your benefits may vary from year to year. As such, it is unable or impractical to use actual contributions remitted to the Plan by your employer and a formula is substituted for reporting purposes.

The formula will allow you to calculate if you are able to make any voluntary concessional contributions so as not to exceed the contribution cap (as described above). Should the formula provide an amount in excess of the concessional contributions cap it is then 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 IAG Superannuation Plan factsheet* available at [sunsuper.com.au/iag](https://www.sunsuper.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.

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 2020-21, the non-concessional contributions cap is generally \$100,000 p.a.

If your 'total superannuation balance' equals or exceeds a certain amount on 30 June of each financial year (\$1,600,000 for 30 June 2020) you will not be able to make any non-concessional contributions for the next financial year.

The non-concessional contributions cap does not include downsizer contributions - refer to *Sunsuper for life 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 contributions 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 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

Your Additional accumulation account will initially be invested in the investment option(s) that most closely match your chosen investment option(s) in the Former Fund. For example, if you were invested in the Balanced option, you will be invested 100% in the Retirement option.

Thereafter, Sunsuper 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.

For information on investment options and investment risk refer to the *Sunsuper for life Investment guide*, available at [sunsuper.com.au/pds](https://www.sunsuper.com.au/pds)

4. 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. This account will be invested in the IAG Defined Benefit Option,

subject to a minimum investment return of 0% until we have sufficient information to fully process your benefit. At that time, 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 an 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 *Sunsuper for life Income account*, or paid to you (subject to preservation rules) as a lump sum or transferred to *Sunsuper for life for Ex-IAG & NRMA* 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. Call **13 11 84** if you want to speak to one of our qualified financial advisers¹ who can give you simple advice on how your super is invested at no additional cost. For more comprehensive advice about the IAG Superannuation Plan, we may refer you to an accredited external financial adviser². Advice of this nature may incur a fee.

¹ Sunsuper employees provide advice as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818, AFSL No. 227867) (SFS), wholly owned by the Sunsuper Superannuation Fund.

² Sunsuper has established a panel of accredited external financial advisers who are not employees of Sunsuper. Sunsuper 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

Refer to Section 10. *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 *Sunsuper for life Super-savings 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 *Sunsuper for life Super-savings account*, or to another complying superannuation fund. If you do not make a choice your benefit will be transferred to *Sunsuper for life 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. While you are under 60 they are tax free up to the current Low Rate Cap of \$215,000 for 2020-21. For further information please refer to the *Sunsuper for life guide*, available at [sunsuper.com.au/iag](https://www.sunsuper.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 *Sunsuper for life*

Income account (if you qualify under the preservation rules),

- Transferred to a *Sunsuper for life Super-savings account*, or
- Paid to another fund.

For information on the preservation rules and how your benefit may be taxed refer to the *Sunsuper for life guide*, available at [sunsuper.com.au/iag](https://www.sunsuper.com.au/iag)

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 [sunsuper.com.au/early-access](https://www.sunsuper.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.

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

7. 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

Sunsuper 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 in Sunsuper. 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 Sunsuper Trustee is required to pay your Death Benefit to your 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 - this allows you to nominate who will receive your superannuation benefits in the event of your death and ensures that the Trustee is legally bound by your wishes. The *Binding death benefit nomination* form available at [sunsuper.com.au/beneficiary](https://www.sunsuper.com.au/beneficiary) Claims are generally processed faster when a valid binding death benefit nomination is in place, or
- a preferred beneficiary nomination - this is used by the Trustee as a *guide* when deciding who should receive your Death Benefit. There may be restrictions on who the benefit can be legally paid to. There may also be lengthy investigations to determine who the benefit should be paid to.

Refer to the *Sunsuper for life 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 **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 (up to a maximum of \$3,000,000).

Any remaining amount will be paid to your eligible beneficiaries on your death if Death cover is still in force at the time of claim.

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 your defined Death Benefit calculated as described in this *Handbook*.

8. Death and Total & Permanent Disability conditions & exclusions

Automatic Acceptance Limits

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

The maximum amount of automatic benefits is limited to \$1,250,000. This is known as the Automatic Acceptance Limit (AAL). Sunsuper will let you know what is required if Standard cover is not available to you or your cover is over the AAL.

When does 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 Death 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 Sunsuper,
- the policy issued to the Trustee is cancelled or terminated for any reason,
- the day before you commence service in the armed forces of any country (not including service in the Australian Army Reservists not deployed overseas) or service with an organisation which is involved in, or promotes, armed conflict, terrorism, civil commotion or unrest,
- 24 months from the commencement of Employer approved leave of absence or parental leave by you, if you have not returned to work prior to the expiry of the 24-month period or an extension of cover has not been approved by the Insurer,
- 60 days after the date you retire or cease to be employed,
- 60 days after the date you no longer qualify as an insured member,
- you permanently depart Australia.

General exclusions for Death and Total & Permanent Disability cover

Benefits are not payable for Death, Total & Permanent Disability, or **Terminal Illness** arising directly or indirectly from:

- war or warlike operations; or
- service in the armed forces of any country (excluding Australian Defence Force Reservists not deployed).

9. 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 15 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 Doctor 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 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

- following a period of at least 14 consecutive days of Total Disability and you have returned to work in your own or another occupation, and
- your monthly income is less than your **Pre-Disability Salary**, and
- you are under the care of and complying with the reasonable advice given by a Doctor,

We will pay a partial disablement monthly benefit. The benefit payable is calculated in accordance with the following formula:

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

where:

A is your Monthly Income, or Restricted Monthly Income, immediately prior to Total Disability commencing.

B is the actual Monthly Income earned by you during the month in which you are **Partially Disabled**.

C is the Monthly Benefit

Occupational rehabilitation support

At Sunsuper we work with our insurer to offer you access to experienced rehabilitation teams, so if you have an injury, disability or health condition that leads to an Income Protection claim we can arrange work related rehabilitation to assist you back to meaningful work.

We work in partnership with you, your treating health professionals and employer to assist you back to suitable work as part of your recovery plan. If you are unemployed, we can assist you to improve your fitness for work.

Rehabilitation services may include:

- Initial meetings with a rehabilitation provider to identify your return to work needs,
- workplace visits to identify solutions in your return to work plan,
- equipment to ensure you maintain your job,
- career guidance to explore alternate work options if you can't work in your usual role, and
- improving your skills and capabilities so that your return to work is sustainable.

Rehabilitation is not appropriate for everyone. If you would like further information about your rehabilitation options please speak with your Claims Representative at Sunsuper.

Together we can assist you back to work and back to a fuller life.

Bereavement benefit

Another additional feature of this plan is that if you die while either Total Disability or Partial Disability benefits are being paid, then an additional lump sum equal to three times your Monthly Benefit from the date of your death will be paid to your beneficiaries.

Rehabilitation expense benefit

Following lodgement of an Income Protection claim, and if you are approved by the insurer and your Doctor to participate in a rehabilitation program, the expenses may be paid, up to an amount equivalent to 24 monthly benefit payments (less any amount that can be claimed from any other source for those expenses), by the insurer to the rehabilitation service provider on your behalf.

The expenses must be incurred to directly assist you in returning to work in a gainful occupation or in undertaking a vocational retraining program because of your disability.

Any payment of this expense will be made at the insurer's discretion.

Family Carer benefit¹

The family carer benefit will be paid if a member of your family leaves permanent employment to care for you whilst suffering a Total Disability, for which benefits are being paid.

This additional benefit may be payable for a maximum period of six months. The benefit amount will be the lesser of:

- the amount we estimate the carer would have earned if you had not been disabled; or
- a maximum benefit amount of \$2,000 per month.

This benefit accrues and payment will commence from the later of the end of the **Waiting Period** and the date the family member terminates employment to care for you.

This is only payable while you continue to receive Total Disability benefits.

Workplace Modification benefit

If Total Disability or Partial Disability benefits are being paid, the insurer may pay you an additional benefit up to a maximum amount of two and a half times the Monthly Benefit for the purpose of modifying your workplace to facilitate your return to work.

Any payment of this benefit will be made at the insurer's discretion and the expense must be approved by the insurer before the expense has been incurred.

Emergency Transport benefit¹

If you have an illness or injury which results in Total Disability or Partial Disability the insurer will reimburse the emergency transportation costs incurred up to a maximum amount of \$500. This benefit will not be payable if the emergency transport costs are payable from any other source.

Bed Confinement benefit¹

An additional Benefit is payable if you are suffering a Total Disability, and during the **Waiting Period**. The amount payable will be one-thirtieth of the Monthly Benefit for each consecutive day of confinement in excess of the initial three (3) days for each period of bed confinement.

¹ Some benefits are only payable directly to you if you satisfy a condition of release under superannuation laws. Where a restriction applies this benefit may be applied to your *Additional accumulation account*.

When does Income Protection cover stop?

Income Protection cover stops when:

- you leave your employer,
- you turn 65,
- you die,
- you withdraw all monies from Sunsuper,
- you are no longer working for at least 15 hours per week with your employer, or you no longer satisfy the eligibility conditions for Income Protection cover,
- you are accepted by the insurer for a Total and Permanent Disability benefit payment or **Terminal Illness** benefit payment,
- your period of **Unpaid Leave** or parental leave exceeds 24 months,
- you permanently depart Australia,
- the date you cease employment with your Australian based employer while overseas,
- the policy issued to the Trustee is cancelled or terminated for any reason,
- the day before you commence service in the armed forces of any country (not including service in the Australian Army Reservists not deployed overseas) or
- 24 months from the commencement of Employer approved leave of absence or parental leave by you, if you have not returned to work prior to the expiry of the 24 month period or an extension of cover has not been approved by the Insurer,
- 60 days after the date you retire or cease to be employed, or
- 60 days after the date you no longer qualify as an insured member.

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:

- any intentional self-inflicted injury or attempted suicide, whether sane or insane,
- normal and uncomplicated pregnancy or childbirth,
- war or warlike operations,
- Service in the armed forces (excluding Australian Army Reservists not deployed overseas),
- a criminal act committed by you, or
- any other exclusions imposed by the insurer.

A benefit won't be paid where a fraudulent claim is made.

Will there be offsets to my Benefit payment?

Your Income Protection Benefit payment may be reduced by the following payments that you are entitled to receive, including:

- any other income derived as a result of disability from employment under any other insurance policy; and
- any Benefit under any workers' compensation or other similar compensation under state or federal legislation or common law, but not including payments in respect of medical treatment, rehabilitation and permanent impairment or permanent loss of use of a body part; and

- monies paid in respect of any claim for past or future economic loss arising from any claim by you for personal injury.

Lump sum payments will be adjusted by the insurer to a monthly equivalent.

Any income from other sources which is in the form of a lump sum or is commuted for a lump sum, will be treated as a monthly equivalent of one sixtieth (1/60) of the lump sum over a period of sixty (60) months, to calculate the reduction in Monthly Benefits under this Policy. Income from other sources does not include income earned from investments and any lump sum total & permanent disablement benefit.

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

You can return to work for up to 5 days during the **Waiting Period** without having to restart the **Waiting Period**. If you do return to work, the days returned to work will extend your original **Waiting Period** by the number of days returned to work. If you return for longer than specified, your **Waiting Period** will restart.

Recurrent event

If you return to work after receiving a monthly Income Protection Benefit and you become **Totally Disabled** or **Partially Disabled** again within six months from the same or a related cause while your Income Protection cover is in force, the insurer will treat the new claim as a continuation of the earlier claim.

This means that no **Waiting Period** will apply for the new claim, but the Benefit will only be payable for the remainder, if any, of the benefit payment period of two years.

Concurrent event

Where you are **Totally Disabled** because of more than one injury or sickness, or from both, whether related or not, benefits are payable in respect of only one injury or sickness, as the insurer shall reasonably determine, based on medical evidence.

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 are accepted by the insurer for a Total and Permanent Disability benefit payment or **Terminal Illness** benefit payment (subject to having received Income Protection benefits for at least 3 months),
- you are no longer **Totally Disabled** or **Partially Disabled**;
- you die, subject to payment of the bereavement benefit;
- the maximum **Benefit Period** expires;
- you attain age 65;
- you are no longer under the regular and continuous care of a Doctor;
- you fail to provide the insurer with all requested information and other evidence reasonably required to assess the claim.

The benefit will be paid even if the insurer assesses you to be total & permanently disabled. Providing you were an insured member of Sunsuper 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, regardless of whether you continue to be a member of Sunsuper.

10. 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. Your membership will be transferred to *Sunsuper for life* for Ex-IAG & NRMA.

Shortly after Sunsuper receives notification we will contact you to advise you of your options:

- Any Death and **Total & Permanent Disablement** benefits applicable at the time of leaving your employer will continue in *Sunsuper for life* for Ex-IAG & NRMA as Standard 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.
- Premiums for any Death and Total & Permanent Disability cover will be payable in full by you, effective from the date you cease employment with IAG or a participating employer. Premiums may alter from the amounts payable in the IAG Superannuation Plan. Any changes to your insurance will be back dated to the date you left employment. You must contact us if you do not want your Death and/or Total & Permanent Disability benefits to continue as Death and/or Total & Permanent Disability cover.
- 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.
- If you already have a *Sunsuper for life Super-savings account*, this account will move to *Sunsuper for life* for Ex-IAG & NRMA and your cover will be replaced by the higher of your existing *Sunsuper for life* 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 120 days of 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 [sunsuper.com.au/insuranceforms](https://www.sunsuper.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 120 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 Disability cover you must ensure regular contributions will be paid into your *Sunsuper for life* for Ex-IAG & NRMA *Super-savings account*.

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

Visit [sunsuper.com.au/iagnrma](https://www.sunsuper.com.au/iagnrma) for a copy of the *Sunsuper for life PDS for Ex-IAG & NRMA*.

11. 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 for insurance cover

Before a superannuation fund trustee like Sunsuper Pty Ltd enters into a life insurance contract in respect of your life, it has a duty to tell the insurer anything that it knows, or could reasonably be expected to know, that may affect the insurer's decision to provide the insurance and on what terms.

The trustee entering into the contract has this duty until the insurer agrees to provide the insurance. The trustee has the same duty before it extends, varies or reinstates the contract. The trustee does not need to tell the insurer anything that reduces the risk of the insurance, or is common knowledge, or the insurer knows or should know as an insurer, or where the insurer waives the duty to tell them.

If you as a member of Sunsuper do not tell us or the insurer something

If you, as the person whose life is to be insured under the life insurance contract, do not tell us or the insurer something that you know, or could reasonably be expected to know, may affect the insurer's decision to provide insurance and on what terms, this may be treated as a failure by us to comply with our Duty of Disclosure. This could affect the insurance cover provided to you as described below.

If we do not tell the insurer something (because you didn't tell us or otherwise)

In exercising the following rights, the insurer may consider whether different types of cover can constitute separate contracts of life insurance. If the insurer does, it may apply the following rights separately to each type of cover.

If we do not tell the insurer anything we are required to, and the insurer would not have provided the insurance if it had been told, the insurer may avoid the contract within three years of entering into it.

If the insurer chooses not to avoid the contract, it may, at any time, reduce the amount of insurance provided. This would be worked out using a formula that takes into account the premium that would have been payable if we had told the insurer everything we were required to. However, if the contract has a surrender value, or provides cover on death, the insurer may only exercise this right within three years of entering into the contract.

If the insurer chooses not to avoid the contract or reduce the amount of insurance provided, it may, at any time, vary the contract in a way that places the insurer in the same position it would have been in if we had told the insurer everything we were required to. However, this right does not apply if the contract has a surrender value or provides cover on death. If the failure to comply with the duty of disclosure is fraudulent, the insurer may refuse to pay a claim and treat the contract as if it never existed. For further information please call us on **13 11 84**.

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 Sunsuper.

Call **13 11 84** if you want to speak to one of our qualified financial advisers¹ who can give you simple advice about your Sunsuper account at no additional cost, quickly over the phone. For more comprehensive advice, we may refer you to an accredited external financial adviser². Advice of this nature may incur a fee.

¹ Sunsuper employees provide advice as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS), wholly owned by the Sunsuper Superannuation Fund.

² Sunsuper has established a panel of accredited external financial advisers who are not employees of Sunsuper. Sunsuper 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.

Overseas travel and approved leave

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

Your Death and Total & Permanent Disability cover will continue for up to 24 months from the commencement of employer approved leave of absence or parental leave by you, if you have not returned to work prior to the expiry of the 24 month period your cover will cease.

Your Income Protection cover under this Policy may be continued for up to twenty-four (24) months while you are on Employer approved leave of absence or parental leave, providing:

- you were working an average of 15 hours or more per week in the 3 months immediately prior to going on unpaid leave;
- you do not join the armed forces (excluding Australian Defence Force Reservists not deployed overseas);
- premiums continue to be paid; and
- you remain Employed and remain a member of the Fund.

Note: If you're on **Unpaid Leave** or leave without pay, you will not be eligible to start claiming benefits until the later of the end of your **Waiting Period** and the end of the leave period. The **Salary** used to calculate your benefit will be your **Salary** in place on your last day of work prior to beginning of your unpaid leave period.

You can reapply for cover upon returning to work. Evidence of health satisfactory to the insurer will be required before cover can restart from the date accepted by the insurer.

What happens if you travel overseas on paid leave or temporarily reside overseas?

Your cover will continue while you reside overseas as long as you remain in the active employment of your Australian-based employer IAG (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.

The cover described in this *guide* is provided 24 hours a day on a worldwide basis. However, unless you are continuously residing in Australia or one of the following approved countries; Belgium, Canada, Denmark, France, Germany, Hong Kong, Italy, Japan, the Netherlands, New Zealand, Singapore, Sweden, Switzerland, the United Kingdom, the United States of America or any other country the insurer may agree to in writing, the payment of Income Protection benefits to you will be subject to the following conditions:

- payment of continuous Income Protection benefits will be limited to 12 months from the date of your disability; and
- after expiration of the 12-month period, no additional Benefits will be payable to you unless and until the Insured Member returns to Australia or one of the approved countries.

If you return to Australia or an approved country and you are still **Totally Disabled** or **Partially Disabled** with the terms of the Policy, benefits may be reinstated effective from the date they return to Australia or one of the approved countries.

12. Sunsuper for life Income accounts

When can I set up a Sunsuper for life Income account?

If you are entitled to receive a lump sum benefit, you can choose to set up a *Sunsuper for life 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 *Sunsuper for life guide*.

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**.

13. About death and disablement claims

Let us help you

We understand that death and disablement claims can sometimes be difficult and stressful. 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 a team of dedicated and experienced staff who are able to assist you. Our Claims Representatives are trained specialists who will handle your claim journey with compassion and professionalism.

All of 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 are here to help. Please contact us as soon as you are able to on **13 11 84** if you would like help making a claim or have any questions.

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 Sunsuper Trustee, including determination of the beneficiary/s,
- Decision by the Sunsuper Trustee, 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, Sunsuper 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

Sunsuper 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 Sunsuper Trustee for review and consideration.

If the Sunsuper Trustee declines your claim and you disagree with this decision you can either:

- lodge a complaint in writing, with Sunsuper. 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 Sunsuper.

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 Sunsuper.

Call **13 11 84** if you want to speak to one of our qualified financial advisers¹ who can give you simple advice about your Sunsuper account at no additional cost, quickly over the phone. For more comprehensive advice, we may refer you to an accredited external financial adviser.² Advice of this nature may incur a fee.

¹ Sunsuper employees provide advice as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS), wholly owned by the Sunsuper Superannuation Fund.

² Sunsuper has established a panel of accredited external financial advisers who are not employees of Sunsuper. Sunsuper 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.

14. Definitions

General and Insurance Terms

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

Accidental Injury

Accident means an event where bodily injury is caused directly and solely by external and visible means, independent of all other causes.

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.

At Work

At Work means the person is at work for the normal daily hours of work and is actively performing the full, unrestricted or unmodified duties of their normal Occupation for which they were Employed or would have been had the day not been a day of leave (other than due to Illness or injury), public holiday or weekend day.

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 later of the date:

- i) you cease all work as a result of a illness or injury, and
- ii) on which the **Doctor** certifies that you suffer from an injury or illness that is the cause of your **Total Disability**.

Date of Disablement - Total & Permanent Disablement

The Date of **Disablement** means the later of the date:

- i) you cease all work solely as a result of injury or Illness; and
- ii) the date on which the **Doctor** certifies that you suffer from an injury or Illness that is the cause of Total & Permanent Disability

Doctor

Doctor means a legally qualified and registered doctor of medicine. It does not include the Employer, the Insured Member, an Employee or the Insured Member's immediate family or business partner/s.

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 neurologists, 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, drugs 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.

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 **Salary** earned at the Date of Disability.

Terminal Illness

Terminal Illness means you suffer an Illness that two registered **Doctors** (at least one of whom is a specialist practicing in an area related to the Illness suffered by you) have certified, jointly or separately, is likely to result in your death within a period that ends not more than 12 months after the date of the certification and the 12 month period has not yet expired in relation to the certificates.

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 *Sunsuper for life 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 begins to accrue. The Waiting Period commences from the date you are **Totally Disabled** and unable to work, as certified by a Doctor.

If you attempt to return to work during the Waiting Period, and that proves unsuccessful due to the injury or illness causing the Total Disability, the original Waiting Period will continue and be extended by the number of days you worked.

Definitions - Income Protection

Total Disability or Totally Disabled

Total Disability or **Totally Disabled** means that solely as a result of injury or Illness, you are continuously:

- unable to perform at least one of the Important Duties of your own occupation; and
- under the care of and following the regular and continuous advice for treatment from a **Doctor** in relation to that Illness or injury; and
- not engaged in any occupation, paid or unpaid.

Partial Disability or Partially Disabled

Partial Disability or **Partially Disabled** means that immediately following a period of at least 14 consecutive days of Total Disability and as a direct result of injury or Illness which caused the Total Disability, you have returned to work in your own or another occupation and is:

- continuously unable to perform the Important Duties of your own occupation; and
- earning less than your Monthly Income prior to Total Disability; and
- under the continuous care, and following the advice for treatment of a **Doctor** in relation to that Illness or injury.

Important Duties

Means the duties of your occupation which are essential in producing a salary.

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**.

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.

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

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 *Sunsuper for life 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 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). Sunsuper 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 Doctor 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

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**.

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.

1. The maximum level of Income Protection cover available is \$600,000 per annum. Your Income Protection benefit will be calculated as 80.75% of your **Salary** (plus a 9% superannuation contribution) up to \$30,000 per month; then 25.50% 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 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

Contents

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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 Sunsuper, 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 sunsuper.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*.

Example

Resignation Benefit

Lachlan stopped working for IAG aged 53 after 24 years of membership. He is not eligible for any other benefit.

His final average salary is \$70,000. His resignation factor after 24 years' membership is 0.95167. He also has an Additional accumulation account of \$25,000 and no Offset account.

Lachlan's Resignation benefit is the sum of
 $5.6 \times \$70,000 \times 0.95167 + \$25,000 = \$398,054.64$

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 Sunsuper 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 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.

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 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.

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.

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.

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 *Sunsuper for life 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). Sunsuper 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 Doctor 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.

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**.

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.

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.

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

Total and Permanent *Disablement* means:

(a) Unable 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 Doctor and undertaking medical treatment reasonably recommended by that Doctor
- iii) with respect to that illness or injury since ceasing work in your occupation solely through illness or injury, and
- iv) 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, unable 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.

(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.

(c) Activities of daily living

As a result of illness or injury, you are totally unable to perform without physical assistance of another person any two of the following activities of daily living:

- i) dressing - the ability to put on and take off clothing,
- ii) toileting - the ability to use the toilet, including getting on and off,
- iii) mobility - the ability to get in and out of bed and a chair,
- iv) continence - the ability to control bowel and bladder function,
- v) feeding - the ability to get food from a plate into your mouth, and
- vi) you are permanently and irreversibly unable to do so for life.

(d) Specific illness

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

- i) you were, on the date of claim, aged 65 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.

(e) In an occupation classified as Home duties

You have been absent from your occupation solely through injury or illness for a period of six consecutive months and are incapacitated to such an extent that, in the insurer's and the Trustee's opinion after consideration of medical and other relevant evidence, you were, at the end of the period of six consecutive months absence from employment, unlikely to ever again attend to at least two normal physical domestic household duties.

For the purposes of part (e) of this definition 'normal physical domestic household duties' means:

- i) cleaning the family home; or
- ii) shopping for food and household items; or
- iii) meal preparation and laundry services; or
- iv) leaving the house without the assistance of another person; or
- v) looking after dependent child/children under 16 years of age or in full-time secondary education, where applicable; or
- vi) providing full-time care for a disabled person(s) who is a member of your immediate family, where applicable.

If you are able to perform the normal physical domestic household duties with the assistance of another person or with the use of assistive devices, you are deemed to be able to perform these duties. You must be under the regular care and attention and following the advice of a **Doctor** for that injury or illness. Evidence that you carried out the duties on a daily basis prior to your period of disability will be required.

(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

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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 Sunsuper, 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 account

The Employer account accumulates the equivalent of 9.5% 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 agrees, 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 **sunsuper.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:

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

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.

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 Sunsuper 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) $7 \times \text{Plan Salary}$ 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 Sunsuper 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 *Sunsuper for life 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). Sunsuper 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 Doctor 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 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**.

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.

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 Sunsuper, 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 9.5%) 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, 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 sunsuper.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 Offset account (if any).

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:

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

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

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 Sunsuper 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 *Sunsuper for life 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). Sunsuper 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 **Doctor** 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 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**.

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.

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.

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

Total and Permanent **Disablement** means:

(a) Unable 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 Doctor and undertaking medical treatment reasonably recommended by that Doctor 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, unable 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.

(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.

(c) Activities of daily living

As a result of illness or injury, you are totally unable to perform without physical assistance of another person any two of the following activities of daily living:

- i) dressing - the ability to put on and take off clothing,
- ii) toileting - the ability to use the toilet, including getting on and off,
- iii) mobility - the ability to get in and out of bed and a chair,
- iv) continence - the ability to control bowel and bladder function,
- v) feeding - the ability to get food from a plate into your mouth, and
- vi) you are permanently and irreversibly unable to do so for life.

(d) Specific illness

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

- i) you were, on the date of claim, aged 65 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.

(e) In an occupation classified as Home duties

You have been absent from your occupation solely through injury or illness for a period of six consecutive months and are incapacitated to such an extent that, in the insurer's and the Trustee's opinion after consideration of medical and other relevant evidence, you were, at the end of the period of six consecutive months absence from employment, unlikely to ever again attend to at least two normal physical domestic household duties.

For the purposes of part (e) of this definition 'normal physical domestic household duties' means:

- i) cleaning the family home; or
- ii) shopping for food and household items; or
- iii) meal preparation and laundry services; or
- iv) leaving the house without the assistance of another person; or
- v) looking after dependent child/children under 16 years of age or in full-time secondary education, where applicable; or
- vi) providing full-time care for a disabled person(s) who is a member of your immediate family, where applicable.

If you are able to perform the normal physical domestic household duties with the assistance of another person or with the use of assistive devices, you are deemed to be able to perform these duties. You must be under the regular care and attention and following the advice of a **Doctor** for that injury or illness. Evidence that you carried out the duties on a daily basis prior to your period of disability will be required.

(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 Sunsuper, 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 *Sunsuper for life 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.

Retained members

Are not eligible for an Income Protection Benefit.

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). *Sunsuper* 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 Doctor 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 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**.

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.

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.

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

Total and Permanent **Disablement** means:

(a) Unable 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 Doctor and undertaking medical treatment reasonably recommended by that Doctor 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, unable 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.

(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.

(c) Activities of daily living

As a result of illness or injury, you are totally unable to perform without physical assistance of another person any two of the following activities of daily living:

- i) dressing - the ability to put on and take off clothing,
- ii) toileting - the ability to use the toilet, including getting on and off,
- iii) mobility - the ability to get in and out of bed and a chair,
- iv) continence - the ability to control bowel and bladder function,
- v) feeding - the ability to get food from a plate into your mouth, and
- vi) you are permanently and irreversibly unable to do so for life.

(d) Specific illness

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

- i) you were, on the date of claim, aged 65 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.

(e) In an occupation classified as Home duties

You have been absent from your occupation solely through injury or illness for a period of six consecutive months and are incapacitated to such an extent that, in the insurer's and the Trustee's opinion after consideration of medical and other relevant evidence, you were, at the end of the period of six consecutive months absence from employment, unlikely to ever again attend to at least two normal physical domestic household duties. For the purposes of part (e) of this definition 'normal physical domestic household duties' means:

- i) cleaning the family home; or
- ii) shopping for food and household items; or
- iii) meal preparation and laundry services; or
- iv) leaving the house without the assistance of another person; or

- v) looking after dependent child/children under 16 years of age or in full-time secondary education, where applicable; or
- vi) providing full-time care for a disabled person(s) who is a member of your immediate family, where applicable.

If you are able to perform the normal physical domestic household duties with the assistance of another person or with the use of assistive devices, you are deemed to be able to perform these duties. You must be under the regular care and attention and following the advice of a **Doctor** for that injury or illness. Evidence that you carried out the duties on a daily basis prior to your period of disability will be required.

(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.

