

INSURANCE COVER WITH AUSTRALIAN FOOD SUPER



Important information

This document contains simple information about the insurance cover offered through Australian Food Super. Eligibility criteria, exclusions and conditions may affect your entitlement to insurance cover and should be considered before deciding if our insurance is appropriate.

For full terms and conditions about receiving insurance cover through Australian Food Super you should read the Product Disclosure Statement (PDS) and Insurance Guide, available at ausfoodsuper.com.au/join-australian-food-super or by calling us on 1800 808 614.

Who can get insurance cover through Australian food super

All Australian Food Super members under the age of 70 can access insurance cover through their superannuation membership. Insurance cover is not available through the Pension product.

Why should you think about insurance cover?

The right level of insurance cover can help you and your loved ones with unexpected costs during difficult times. It is important to consider what types and level of insurance cover would be appropriate to help you and your family financially if something was to prevent you from working or you were to pass away.

You should also think about whether you would be able to get the same types of cover outside the superannuation environment and how much insurance cover costs. In most cases, you will not need to complete any medical questionnaires or examinations before you can get cover through your membership.



WHAT TYPE OF INSURANCE COVER CAN YOU GET?

Three types of insurance cover are available through your Australian Food Super membership:



Life cover – a lump sum amount is paid to your beneficiaries when you die



Total and Permanent Disability (TPD) cover – a lump sum benefit is paid if it is determined that you have been totally and permanently disabled and are unable to work in any occupation.



Income Protection (IP) cover – if you are injured or become sick and are unable to work in your current occupation, up to 75% of your income is paid for up to 2 years. It is important to note that IP benefits may be reduced by other income you receive, e.g. workcover payments.

Where do the premiums to pay for your insurance cover come from?

The costs for your insurance cover – known as premiums – are deducted from your superannuation account.

Insurance cover - continued

When does insurance cover start?

Your insurance cover can start in one of two ways:

- **Automatically** – once you are aged 25 years, your Life, TPD and IP insurance cover will start to apply automatically from the day your account balance reaches \$6,000.¹ You will receive 2 units of Life cover, 1 unit of TPD cover and 5 units of IP cover
- **Opt In** – if you're under 25 years old or if your account balance is less than \$6,000 you have the option to opt in to insurance cover early. If you opt in within 90 days of receiving your welcome letter, you won't need to answer any health questions and your cover will generally start from the date of your application.¹ If you opt in later, you will need to answer health questions-your cover will start on the date of your application, subject to acceptance by the insurer.

Once you have cover in place, it will be limited to new events until you have met certain criteria – see the Insurance Guide for more information. Your cover will depend on your age. You may be eligible for a higher level of Life and TPD cover and lower IP premiums if you let us know that you are an office worker.

How much does insurance cover cost?

Australian Food Super is able to access cover through a group policy, which means you may be able to access insurance cover at a lower cost than you could through an individual policy outside of superannuation. It is important to consider how much insurance is necessary for your circumstances and how much you can afford.

Life, TPD and IP cover is provided in units of cover.

- One unit of Life insurance cover costs \$1.73 per week.
- One unit of TPD insurance cover costs \$2.89 per week
- One unit of IP cover costs \$0.55 per week for Manual Workers or \$0.40 per week for Office Workers

If you are eligible for Automatic Insurance Cover, you will be provided with:

- 2 units of Life Insurance cover at a cost of \$3.46 per week;
- 1 unit of TPD Insurance cover at a cost of \$2.89 per week; and
- 5 units of IP insurance cover at a cost of \$2.75 per week (unless you let us know you are an Office Worker then the cost is \$2.00 per week).

Unless you advise us that you do not wish to have insurance cover, we will automatically deduct these amounts from your account for this cover.



Example - Manual Worker

Ben is 24 when he joins Australian Food Super in April 2023 and has a salary of \$50 000 p.a. He is not eligible yet for automatic cover because he is under 25 and his account balance is less than \$6000. Ben will turn 25 in June 2023.



Example 1 – SG contributions only

In June 2023, even though he is 25, Ben is still not eligible for automatic cover yet because his account balance is under \$6,000, being made up entirely from his employer's SG contributions. If Ben does not make any extra rollovers or personal contributions to his account, it could be some time before he becomes eligible for automatic cover.

At Ben's salary of \$50,000, it will take more than a year for his employer to contribute \$6,000. Taxes, fees and investment earnings (which may be positive or negative) will also have an impact on his balance. When his balance does reach \$6,000, he will receive:

- 2 units of Life Cover = \$124 600 of cover at a cost of \$3.46 per week
- 1 unit of TPD cover = \$62 300 of cover at a cost of \$2.89 per week
- 5 units of IP cover = a monthly benefit of \$2,500 for 2 years at a cost of \$2.75 per week

Premiums of \$9.10 will be deducted from Ben's Australian Food Super account each week.

¹For your IP cover to start, you must be At Work. This generally means you're capable of working your usual hours at your usual occupation and performing all your usual duties, whether or not you're actually working on that day. Refer to the full definition in the Insurance Guide.

Insurance cover - continued

Example 2 – Rollover and/or personal contributions

In May 2023, one month after he joins, Ben rolls over his account balance of \$7,128 from his other super fund to his Australian Food Super account. This means when Ben turns 25 in June 2023, his account balance is already over the \$6,000 threshold. He will automatically receive the same level of cover at the same cost in Example 1 once he turns 25.

Example 3 – Opt In

When Ben receives his welcome letter from Australian Food Super he chooses to return the form and opt in to insurance. He chooses to have 6 units of IP cover only. This means if he becomes unable to work due to illness or injury, he may receive a monthly benefit of up to \$3,000 for 2 years. A premium of \$3.30 per week for this cover will be deducted from his account (6 units x \$0.55 = \$3.30)

Once Ben turns 25 and has \$6,000 in his account, automatic Life and TPD cover as in Example 1 will also start to apply and the relevant premiums will be deducted. So, from that date, \$9.65 will be deducted from Ben's account each week.

Ben can choose to cancel or change his cover at any time by calling the Member Hotline on 1800 808 614.



If you require a printed copy of this Fact Sheet please contact the **Member Hotline** on **1800 808 614**.



Member Hotline
1800 808 614



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