

# INCOME PROTECTION



**Income Protection is a type of insurance that could replace up to 75% of your pay if you become sick or injured and can't work – helping to protect you and your family from financial hardship while you recover. Eligible Australian Food Super members automatically receive this insurance.**

## HOW IT WORKS

- › It's a benefit available to all Food Super members under age 70.
- › Members aged over 25 with a balance of \$6,000 or more receive cover automatically. Members who haven't met these conditions can choose to opt in.
- › Automatic cover is 5 units, at a cost of \$2.75 per week for manual workers<sup>1</sup> or \$2.00 per week if you work in an office<sup>2</sup>. Under this automatic cover, you can claim up to 75% of your pay or up to \$2,500 per month (whichever is less) if you become sick or injured and are unable to work.
- › You also have the option to increase your level of cover. This could make sense if 75% of your income is more than \$2500 per month.
- › Alternatively, you may reduce your cover below the default level of 5 units. This could make sense if 75% of your income is less than \$2500 per month.

1. A manual worker is a member who is employed to perform manual and or physical duties in an abattoir, processing plant, butcher's shop or similar environment.

2. An office worker is a member who performs only non-manual duties and works at least 75% of the time in an office environment and has done so for the last 12 months. Office workers pay a lower premium because they are less likely to be injured while working.

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- › The Income Protection benefit is payable for up to 104 weeks (2 years from the date of injury or illness) unless you are able to return to work sooner or you turn 65, whichever happens first. If you are aged between 65 and 70 years, the benefit payment is payable for up to 52 weeks for injury or 12 weeks for sickness or the date you turn 70 (whichever occurs first). Benefits commence after only a 30 day waiting period.
- › Please note that Income Protection insurance benefits may be reduced in the event that you receive other employment related payments (Workers' Compensation payments, Annual Leave, etc.) for the period to which the Income Protection payments relate.
- › Members can cancel their cover at any time. Depending on when your request is received, premiums may or may not be refunded. Refer to the Insurance Guide for more details.

For further details of this Income Protection Policy, please refer to the Product Disclosure Statement and associated Insurance Guide available from [ausfoodsuper.com.au](http://ausfoodsuper.com.au) or call the **Member Hotline** on **1800 808 614**.

# Income Protection Insurance - continued

How often is a benefit paid?	If you have made a claim and the insurer has accepted liability, and the 30 day waiting period has passed, your benefits will be paid fortnightly, one week in arrears.
Are benefit payments taxed?	Yes. An Income Protection benefit payable to you is regarded as taxable income and attracts Pay-As-You-Go (PAYG) tax, the same as your wages do. PAYG tax is deducted from the benefit before it is paid to you. You will receive a payment summary for your tax return. You will be asked to provide your Tax File Number by the insurer. If you do not supply it, you will be taxed at the highest marginal tax rate.
Am I covered for pre-existing sickness?	When IP cover starts, it will be provided as new events cover, which means you are not covered for pre-existing sickness until you satisfy certain criteria. Refer to the Insurance Guide for more details.
Am I covered for pre-existing injuries?	You will only be entitled to a benefit where your absence from work relates to an injury that occurred after cover commenced.
What if I travel overseas? Am I still covered?	Yes, provided you travel to a country that is not subject to an Australian Government "Travel Advisory Notice" issued by the Department of Foreign Affairs and Trade.
Can I increase my cover?	Yes. you can increase your level of cover at any time. See the Insurance Guide for details.

## Level of cover

Use the table below as a guide to work out what level of cover could be right for you.

If your pay is this much per:		You can insure up to 75% of it, which is this much per month:	To cover that amount you need this many units of insurance:	Manual Worker cost (per week) from 18 June 2016	Office Worker cost (per week) from 18 June 2016
Year	Month				
up to \$40,000	\$3,333	\$2,500	5	\$2.75	\$2.00
\$48,000	\$4,000	\$3,000	6	\$3.30	\$2.40
\$56,000	\$4,667	\$3,500	7	\$3.85	\$2.80
\$64,000	\$5,333	\$4,000	8	\$4.40	\$3.20
\$72,000	\$6,000	\$4,500	9	\$4.95	\$3.60
\$80,000	\$6,667	\$5,000	10	\$5.50	\$4.00
\$88,000	\$7,333	\$5,500	11	\$6.05	\$4.40

For rates over \$88,000, please read the Insurance Guide or call the Member Hotline 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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