

Insurance in your super guide

The information in this document forms part of the Mercy Super Product Disclosure Statement

Issued 1 October 2020



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This *Insurance in your super guide* provides you with details about the insurance cover and premiums provided as part of Mercy Super's Super account. The information in this document forms part of the *Product Disclosure Statement for Super and Income accounts* (PDS) issued on 1 October 2020, and the PDS references information you'll find in this guide. Other important information is contained in the *Super account guide* and *Your investment options guide* which also form part of the PDS. You should consider all of the information contained in these documents before making a decision about investing in a Super account. The information in this guide is general information only and does not take into account your personal financial situation or needs. You should consider obtaining financial advice tailored to your own personal circumstances.

retirement

noun /rɪ'taɪə.mənt/

1. a permanent voluntary departure from the workforce due to a Mercy Super member reaching preservation age



Susan retired at the age of 65 and pursued her life-long dream of travelling around Australia in a caravan.

2. a permanent involuntary departure from the workforce due to a Mercy Super member dying or becoming permanently disabled and unable to work



Rebecca had a severe car accident when she was 41 and could no longer work as a doctor.

Why insurance in your super?

When retirement doesn't come the way you planned.

Have you thought about...

What would happen if you had a serious injury or illness that sidelined you for months or even years? Or worse still, if you were to die? Would your family cope financially?

...we have

While super is about preparing financially for retirement, we recognise that leaving the workforce is not always voluntary and may be the result of disability or death.

At Mercy Super, we believe we have a responsibility to support the financial needs of our members and their loved ones for both voluntary and involuntary retirement. That's why we provide a comprehensive insurance cover package with a 'needs-based' design that adapts to different life-stages of our unique community of members.

We've got you covered

In 2019/20...

99%

of income protection claims

ACCEPTED

193 members

and their families were supported by Mercy Super's unique insurance offering

SUPPORTED

A total
\$11.0 million
paid out insurance claims

PAID OUT

\$6.6 million

in income protection claims

\$2.4 million

in permanent disablement claims

\$0.1 million

in terminal illness claims

\$1.9 million

in death claims

Your standard cover package

If eligible, the standard cover package provides either Salary-based or Unit-based cover (see *Eligibility for the standard cover package*). Salary-based cover is available if salary details are provided to Mercy Super by your employer. Otherwise you will be provided with the Unit-based standard cover package.

If you have Salary-based cover

- Your Death cover from age 25 is a multiple of your salary with the multiple changing depending on your age. Prior to age 25 Death cover is fixed at \$50,000 (opt-in only)
- Your Income Protection cover is a monthly income benefit made up of an income replacement benefit of 85% of salary for the first two years, 50% of salary for claim payments after two years, plus a super contribution benefit of 10% of salary which is paid to your Mercy Super account
- Supporting Total and Permanent Disablement (TPD) cover to age 59 is a multiple of your salary with a top-up amount of up to \$60,000 to assist with making changes to your lifestyle that changes depending on your age. From age 60, TPD cover is \$20,000

If you have Unit-based cover

- Your Death, TPD and Income Protection cover is provided in units where each unit provides a specific amount of cover for your age
- You receive two units of Death, TPD and Income Protection cover

Core Participating Employers

If you are employed within one of Mercy Super's Core Participating Employers your standard cover package will generally be provided without any health evidence as long as you meet the eligibility requirements (see *Eligibility for the standard cover package*).

Mercy Super's Core Participating Employers include Mater (including CQ, NQ, Mater Research and Mater Foundation), Mercy Community, Holy Cross, All Hallows School, Queensland Health and some other Mercy Partners/Sisters of Mercy employers. Contact us for specific details.

Key features of Mercy Super insurance

- Most new members can opt-in or will automatically receive the standard cover package without the need for medical evidence
- The standard cover package includes Income Protection cover with a benefit period of up to five years, providing an income replacement benefit plus ongoing contributions to your super
- Cover that changes with your age
- Insurance cover is provided 24 hours a day, seven days a week
- You can cancel or apply to vary or increase[#] your cover at any time
- We work with our insurer to negotiate discounted bulk insurance rates for our members
- Premiums with no commissions that are deducted from your super account each month, not your take-home pay, making payments hassle free
- As we are a profit-to-member super fund, you only pay for what it costs to provide the life insurance cover

[#] Any increase will be subject to acceptance by the insurer.

Eligibility for the standard cover package

You are eligible for the standard cover package when you first join Mercy Super as long as you are:

- employed by a Core Participating Employer
- aged at least 15 and under 65
- At Work* when cover commences
- nominated to join within 120 days of first commencing employment with a Core Participating Employer
- an Australian resident[†], and
- not applying for, entitled to, or been paid, a Total & Permanent Disablement benefit or Terminal Illness benefit from any super fund or life insurance policy.

When your standard cover package commences

Your standard cover package will be established as part of your Mercy Super account if you;

- Provide us with instructions to opt-in for your standard insurance cover package, or
- You meet the trigger event for the automatic establishment of standard insurance cover package – you are age 25 or over and the balance of your Mercy Super account is at least \$6,000.

If you opt-in to accept your standard cover package within 90 days of first joining the Fund, and you are At Work* when you opt-in, cover up to the relevant Automatic Acceptance limits is generally provided without any health evidence from the date your opt-in instruction is received by the Fund. If you opt-in for insurance at any other time your standard-cover package will be subject to assessment and approval by the insurer.

If the automatic cover trigger event for your standard cover package occurs within 120 days of commencing employment with your Core Participating Employer and you are At Work*, cover up to the relevant Automatic Acceptance limits is generally provided without any health evidence from the date we confirm your automatic cover conditions have been met. If the trigger event occurs outside this period, Limited Cover is provided until you are At Work* for two consecutive months.

Any cover over the Automatic Acceptance limits is only provided after assessment and approval by the insurer. The current Automatic Acceptance Limits are:

- \$1.5m for Death and TPD cover
- \$12,000 per month for Income Protection cover

* "At Work" means that you are at work performing all of the duties and hours of your usual occupation for your employer or, if you are on employer approved leave (other than leave caused by illness or injury), you would be able to attend work and perform your normal duties without restriction due to illness or injury. If you are not At Work when cover commences, you will be provided with Limited Cover until you have been At Work for two consecutive months. This means you will only be covered for claims arising out of a sickness which first becomes apparent, or injury which first occurs, on or after the date you first become eligible for cover.

† Australian resident means an Australian citizen or a person who is the holder of an Australian permanent visa within the meaning of Section 30 of the Migration Act 1958 or resides in Australia on a Temporary Skills Shortage (TSS) visa. It also includes a New Zealand citizen who is residing and working in Australia.

Salary-based standard cover package

If you receive the Salary-based cover package, the Death and Disability cover you'll receive is summarised below (including an example of the cover and costs that would apply **if you had an annual salary of \$80,000**). Weekly premiums are based on the Annual premium rates on page 19.

| Age last Birthday | Death and Terminal Illness cover | | | | |
|-------------------|----------------------------------|--------------------------------------|------------------------------|---|----------------------------------|
| | Death | | Terminal Illness | | Weekly premium (\$80,000 salary) |
| | Death cover basis | Death cover amount (\$80,000 salary) | Terminal Illness cover basis | Terminal Illness cover amount (\$80,000 salary) | |
| 15 | \$50,000 | \$50,000 | Lesser of Death or TPD cover | \$50,000 | \$0.25 |
| 16 | \$50,000 | \$50,000 | | \$50,000 | \$0.25 |
| 17 | \$50,000 | \$50,000 | | \$50,000 | \$0.25 |
| 18 | \$50,000 | \$50,000 | | \$50,000 | \$0.25 |
| 19 | \$50,000 | \$50,000 | | \$50,000 | \$0.25 |
| 20 | \$50,000 | \$50,000 | | \$50,000 | \$0.25 |
| 21 | \$50,000 | \$50,000 | | \$50,000 | \$0.24 |
| 22 | \$50,000 | \$50,000 | | \$50,000 | \$0.22 |
| 23 | \$50,000 | \$50,000 | | \$50,000 | \$0.21 |
| 24 | \$50,000 | \$50,000 | | \$50,000 | \$0.20 |
| 25 | 10 x salary | \$800,000 | | \$620,000 | \$2.91 |
| 26 | 10 x salary | \$800,000 | | \$540,000 | \$2.91 |
| 27 | 10 x salary | \$800,000 | | \$460,000 | \$2.91 |
| 28 | 10 x salary | \$800,000 | | \$380,000 | \$2.91 |
| 29 | 11 x salary | \$880,000 | | \$380,000 | \$3.20 |
| 30 | 11 x salary | \$880,000 | | \$300,000 | \$3.35 |
| 31 | 11 x salary | \$880,000 | | \$300,000 | \$3.52 |
| 32 | 11 x salary | \$880,000 | | \$300,000 | \$3.71 |
| 33 | 11 x salary | \$880,000 | | \$300,000 | \$3.86 |
| 34 | 11 x salary | \$880,000 | | \$300,000 | \$4.20 |
| 35 | 11 x salary | \$880,000 | | \$300,000 | \$4.37 |
| 36 | 10 x salary | \$800,000 | | \$220,000 | \$4.42 |
| 37 | 10 x salary | \$800,000 | | \$220,000 | \$4.88 |
| 38 | 10 x salary | \$800,000 | | \$220,000 | \$5.34 |
| 39 | 10 x salary | \$800,000 | | \$220,000 | \$5.80 |
| 40 | 10 x salary | \$800,000 | | \$220,000 | \$6.25 |
| 41 | 10 x salary | \$800,000 | | \$220,000 | \$6.85 |
| 42 | 10 x salary | \$800,000 | | \$220,000 | \$7.46 |
| 43 | 9 x salary | \$720,000 | | \$220,000 | \$7.13 |
| 44 | 9 x salary | \$720,000 | | \$220,000 | \$7.67 |
| 45 | 9 x salary | \$720,000 | | \$220,000 | \$8.22 |
| 46 | 8 x salary | \$640,000 | | \$220,000 | \$8.05 |



Terminal Illness cover is provided as part of your Death cover with no additional premiums payable.

| Disability cover | | | | | | Total weekly premium for standard cover package (\$80,000 salary) |
|---------------------------------------|------------------------------------|----------------------------------|-------------------------|-----------------------------------|----------------------------------|---|
| Total and Permanent Disablement (TPD) | | | Income Protection (IP)# | | | |
| TPD cover basis | TPD cover amount (\$80,000 salary) | Weekly premium (\$80,000 salary) | IP cover basis | IP cover amount (\$80,000 salary) | Weekly premium (\$80,000 salary) | |
| 7 x salary + \$60,000 | \$620,000 | \$1.12 | 95% x salary | \$76,000 | \$5.82 | \$7.19 |
| 7 x salary + \$60,000 | \$620,000 | \$1.12 | | | \$5.86 | \$7.23 |
| 7 x salary + \$60,000 | \$620,000 | \$1.12 | | | \$5.90 | \$7.27 |
| 7 x salary + \$60,000 | \$620,000 | \$1.12 | | | \$5.95 | \$7.32 |
| 7 x salary + \$60,000 | \$620,000 | \$1.12 | | | \$5.99 | \$7.36 |
| 7 x salary + \$60,000 | \$620,000 | \$1.12 | | | \$6.04 | \$7.41 |
| 7 x salary + \$60,000 | \$620,000 | \$1.12 | | | \$6.17 | \$7.53 |
| 7 x salary + \$60,000 | \$620,000 | \$1.12 | | | \$6.31 | \$7.65 |
| 7 x salary + \$60,000 | \$620,000 | \$1.25 | | | \$6.39 | \$7.85 |
| 7 x salary + \$60,000 | \$620,000 | \$1.12 | | | \$6.59 | \$7.91 |
| 7 x salary + \$60,000 | \$620,000 | \$1.25 | | | \$6.77 | \$10.93 |
| 6 x salary + \$60,000 | \$540,000 | \$1.09 | | | \$6.84 | \$10.84 |
| 5 x salary + \$60,000 | \$460,000 | \$1.11 | | | \$7.02 | \$11.04 |
| 4 x salary + \$60,000 | \$380,000 | \$0.99 | | | \$7.23 | \$11.13 |
| 4 x salary + \$60,000 | \$380,000 | \$1.07 | | | \$7.47 | \$11.74 |
| 3 x salary + \$60,000 | \$300,000 | \$0.90 | | | \$7.83 | \$12.08 |
| 3 x salary + \$60,000 | \$300,000 | \$0.96 | | | \$8.21 | \$12.69 |
| 3 x salary + \$60,000 | \$300,000 | \$1.08 | | | \$8.68 | \$13.47 |
| 3 x salary + \$60,000 | \$300,000 | \$1.20 | | | \$9.21 | \$14.27 |
| 3 x salary + \$60,000 | \$300,000 | \$1.32 | | | \$9.75 | \$15.27 |
| 3 x salary + \$60,000 | \$300,000 | \$1.50 | | | \$10.42 | \$16.29 |
| 2 x salary + \$60,000 | \$220,000 | \$1.28 | | | \$11.24 | \$16.94 |
| 2 x salary + \$60,000 | \$220,000 | \$1.40 | | | \$12.06 | \$18.34 |
| 2 x salary + \$60,000 | \$220,000 | \$1.58 | | | \$12.98 | \$19.90 |
| 2 x salary + \$60,000 | \$220,000 | \$1.80 | | | \$14.02 | \$21.62 |
| 2 x salary + \$60,000 | \$220,000 | \$2.06 | | | \$15.08 | \$23.39 |
| 2 x salary + \$60,000 | \$220,000 | \$2.42 | | | \$16.31 | \$25.58 |
| 2 x salary + \$60,000 | \$220,000 | \$2.72 | | | \$17.74 | \$27.92 |
| 2 x salary + \$60,000 | \$220,000 | \$3.12 | | | \$19.19 | \$29.44 |
| 2 x salary + \$60,000 | \$220,000 | \$3.51 | | | \$20.89 | \$32.07 |
| 2 x salary + \$60,000 | \$220,000 | \$3.99 | | | \$22.70 | \$34.91 |
| 2 x salary + \$60,000 | \$220,000 | \$4.57 | | | \$24.66 | \$37.28 |

Income Protection cover is a monthly benefit of up to 95% of salary which is made up of an income replacement benefit of 85% of salary for the first two years, 50% of salary for claim payments after two years, plus a super contribution of 10% of salary paid to your Mercy Super account. For standard Salary-based Income Protection cover, the benefit period is up to five years with a waiting period of 60 days.

Salary-based standard cover package continued

| Age last Birthday | Death and Terminal Illness cover | | | | |
|-------------------|----------------------------------|--------------------------------------|------------------------------|---|----------------------------------|
| | Death | | Terminal Illness | | Weekly premium (\$80,000 salary) |
| | Death cover basis | Death cover amount (\$80,000 salary) | Terminal Illness cover basis | Terminal Illness cover amount (\$80,000 salary) | |
| 47 | 8 x salary | \$640,000 | Lesser of Death or TPD cover | \$220,000 | \$8.78 |
| 48 | 8 x salary | \$640,000 | | \$140,000 | \$9.50 |
| 49 | 7 x salary | \$560,000 | | \$140,000 | \$9.06 |
| 50 | 7 x salary | \$560,000 | | \$140,000 | \$10.03 |
| 51 | 6 x salary | \$480,000 | | \$140,000 | \$9.50 |
| 52 | 6 x salary | \$480,000 | | \$140,000 | \$10.32 |
| 53 | 6 x salary | \$480,000 | | \$140,000 | \$11.33 |
| 54 | 5 x salary | \$400,000 | | \$140,000 | \$10.28 |
| 55 | 4 x salary | \$320,000 | | \$120,000 | \$8.95 |
| 56 | 4 x salary | \$320,000 | | \$120,000 | \$9.74 |
| 57 | 3 x salary | \$240,000 | | \$120,000 | \$7.99 |
| 58 | 2 x salary | \$160,000 | | \$120,000 | \$5.82 |
| 59 | 2 x salary | \$160,000 | | \$120,000 | \$6.36 |
| 60 | 1 x salary | \$80,000 | | \$20,000 | \$3.44 |
| 61 | 1 x salary | \$80,000 | | \$20,000 | \$3.76 |
| 62 | 1 x salary | \$80,000 | | \$20,000 | \$4.09 |
| 63 | 1 x salary | \$80,000 | | \$20,000 | \$4.50 |
| 64 | 1 x salary | \$80,000 | | \$20,000 | \$4.93 |

All cover is subject to eligibility including any relevant Automatic Acceptance Limits and minimum account balance/opt-in requirements (see page 3). Maximum cover amounts also apply to your TPD cover (\$3 million[†]) and Income Protection cover (\$30,000 per month).

[†] Maximum TPD cover applies to your total market cover provided through policies with the insurer and any other Australian life insurer.

What salary is used to calculate the Salary-based cover?

Salary is your annual salary as last advised to Mercy Super by your Core Participating Employer (that is generally still paying contributions to your Mercy Super account), plus any additional salary from other sources you have applied for that has been accepted by the insurer.

If you are no longer employed by a Core Participating Employer or you have requested them to stop paying contributions to your Mercy Super account, any advised increase in salary will be subject to assessment and approval by the insurer.



Within 90 days of first joining the Fund, you can elect to reduce your waiting period to 30 days without having to provide any health evidence. This may increase the premium you pay for Income Protection cover. For more information on waiting and benefit periods, see page 14.

| Disability cover | | | | | | Total weekly premium for standard cover package (\$80,000 salary) |
|---------------------------------------|------------------------------------|----------------------------------|-------------------------|-----------------------------------|----------------------------------|---|
| Total and Permanent Disablement (TPD) | | | Income Protection (IP)# | | | |
| TPD cover basis | TPD cover amount (\$80,000 salary) | Weekly premium (\$80,000 salary) | IP cover basis | IP cover amount (\$80,000 salary) | Weekly premium (\$80,000 salary) | |
| 2 x salary + \$60,000 | \$220,000 | \$5.31 | 95% x salary | \$76,000 | \$26.88 | \$40.97 |
| 1 x salary + \$60,000 | \$140,000 | \$3.94 | | | \$29.22 | \$42.66 |
| 1 x salary + \$60,000 | \$140,000 | \$4.58 | | | \$31.82 | \$45.46 |
| 1 x salary + \$60,000 | \$140,000 | \$5.22 | | | \$34.70 | \$49.95 |
| 1 x salary + \$60,000 | \$140,000 | \$5.98 | | | \$37.88 | \$53.36 |
| 1 x salary + \$60,000 | \$140,000 | \$6.82 | | | \$41.36 | \$58.50 |
| 1 x salary + \$60,000 | \$140,000 | \$7.71 | | | \$45.10 | \$64.14 |
| 1 x salary + \$60,000 | \$140,000 | \$8.52 | | | \$49.30 | \$68.10 |
| 1 x salary + \$40,000 | \$120,000 | \$8.09 | | | \$53.89 | \$70.93 |
| 1 x salary + \$40,000 | \$120,000 | \$8.96 | | | \$60.46 | \$79.16 |
| 1 x salary + \$40,000 | \$120,000 | \$9.89 | | | \$68.01 | \$85.89 |
| 1 x salary + \$40,000 | \$120,000 | \$10.92 | | | \$76.34 | \$93.08 |
| 1 x salary + \$40,000 | \$120,000 | \$12.02 | | | \$85.59 | \$103.97 |
| \$20,000 | \$20,000 | \$2.20 | | | \$90.57 | \$96.21 |
| \$20,000 | \$20,000 | \$2.42 | | | \$77.39 | \$83.57 |
| \$20,000 | \$20,000 | \$2.69 | | | \$64.19 | \$70.97 |
| \$20,000 | \$20,000 | \$2.99 | | | \$51.01 | \$58.50 |
| \$20,000 | \$20,000 | \$3.32 | | | \$22.74 | \$30.99 |

Example

Sarah's story (age 30) – ensuring partners are covered

Sarah's insurance cover package

| | |
|---------------------------------|--|
| Salary | \$71,600 |
| Death cover (premium) : | \$787,600 (\$3.00 per week) |
| TPD cover (premium) : | \$274,800 (\$0.82 per week) |
| Terminal Illness cover : | \$274,800 |
| IP cover (premium) : | \$5,071 income replacement benefit plus \$597 super contribution benefit – total \$5,668 per month (\$7.01 per week) |
| Total premium : | \$10.83 per week |

Income protection cover was not the first thing on Sarah's mind when she became a member of Mercy Super. Nor was it her fifth, 17th or even 32nd. So, when she returned from 12 months of maternity leave to find a colleague, Jessica, forced out of work due to a back injury and struggling without a replacement income, she was prompted to look into her own insurance cover.

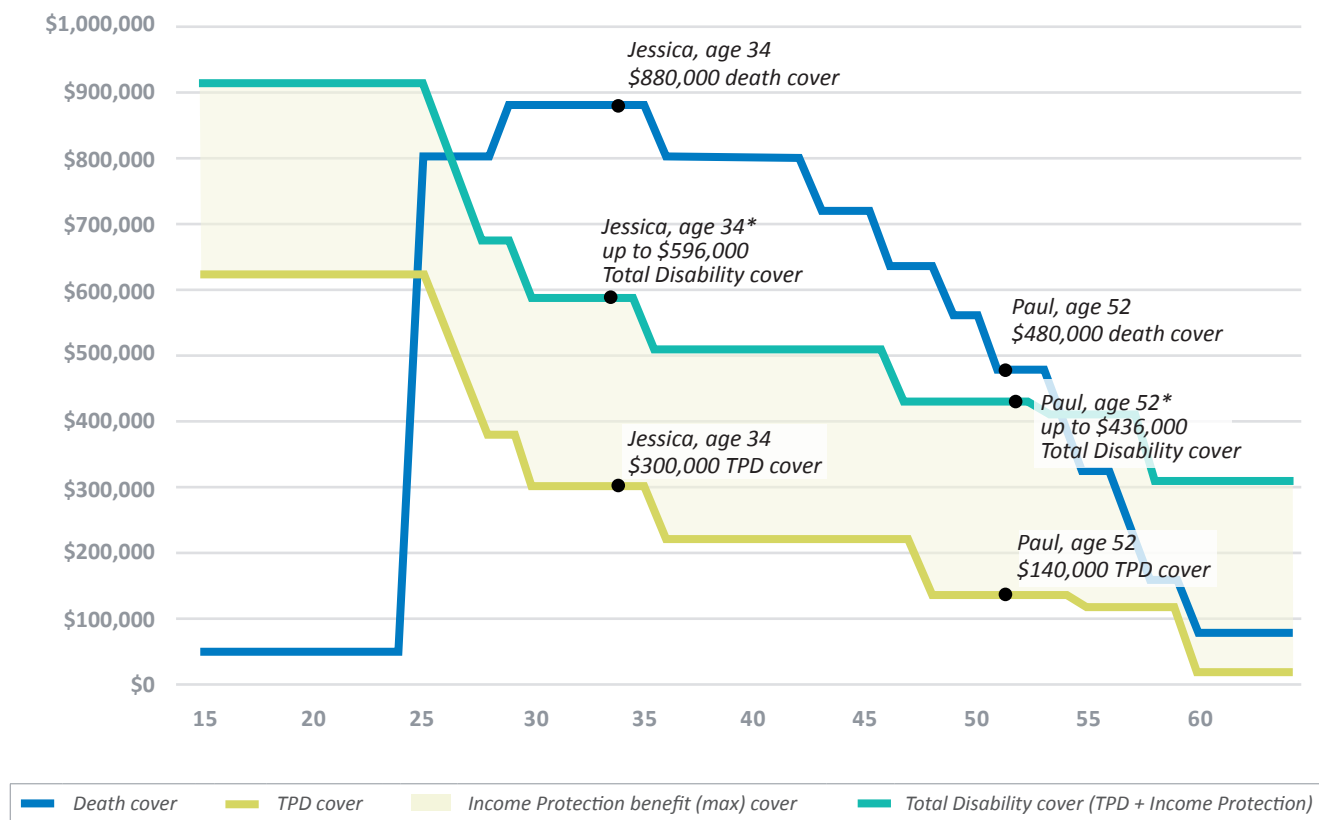
With a young family to think of, she wanted to make sure they were protected should anything ever happen to her. On checking her Mercy Super account she was happy to see she had income protection cover – something Jessica was lacking. Not only did she have income protection, along with her Death and TPD cover it was enough to support her whole family.

This newfound interest in her insurance cover prompted her to give her husband, Adam, a little nudge to look into his own insurance through super. He was pretty shocked to find that not only did he have no income protection insurance, he was also insufficiently covered for Death and TPD cover. He's now going through the lengthy health assessment process to increase his insurance through his super fund.

In the cases of Adam and Jessica, their super funds didn't have income protection as an automatic cover upon joining. With Sarah having spent a year off work, she's decided to make additional contributions to offset the impact her insurance premiums of \$10.83 per week have on her super.

Example How your Salary-based cover changes over time

Your Salary-based cover levels change over time to align with your changing circumstances. The chart below is an example of how the Death and TPD cover levels will change based on age for someone on an annual salary of \$80,000.



Here's how Jessica and Paul's benefits are calculated assuming they are both on a salary of \$80,000.

Jessica (age 34)

| Cover type | Amount of cover |
|-------------------|---|
| Death | \$880,000 (11 x salary) |
| Income Protection | \$6,333 per month made up of: <ul style="list-style-type: none"> Income replacement benefit of \$5,666 (85% of salary) for the first two years of claim reducing to 50% of salary for claim payments after two years, plus Super contribution of \$667 (10% of salary) Total payments of up to \$296,000* over five years |
| TPD | \$300,000 (3 x salary + \$60,000) |

Paul (age 52)

| Cover type | Amount of cover |
|-------------------|---|
| Death | \$480,000 (6 x salary) |
| Income Protection | \$6,333 per month made up of: <ul style="list-style-type: none"> Income replacement benefit of \$5,666 (85% of salary) for the first two years of claim reducing to 50% of salary for claim payments after two years, plus Super contribution of \$667 (10% of salary) Total payments of up to \$296,000* over five years |
| TPD | \$140,000 (1 x salary + \$60,000) |

*Excluding any indexation of Income Protection benefits.

Example

Rebecca's story (age 39) – support and hope for the future

At 39 Rebecca believed she'd had a charmed life. A successful career as a speech pathologist at Children's Health Queensland, a charming husband and two well-adjusted, although at times testing, teenage daughters.

Having been feeling quite run-down for a number of months, Rebecca thought a family holiday in North Queensland to soak up the rays of the tropical sun, relax and rejuvenate was just what she needed. But, after returning and still feeling lethargic and generally unwell she made an appointment with her doctor.

After a number of tests, countless specialist appointments and an agonising wait for her results, her shock diagnosis of terminal cancer was revealed. With a life expectancy of less than two years it devastated Rebecca, her family and the people around her. She left her much loved job and being in the medical profession, began seeking any new medical trial treatments that may assist her. She was in luck; a new medical trial treatment had just started up interstate in Victoria as part of a medical research study to find a cure for cancer. Rebecca was a perfect candidate and she instantly signed up.

Rebecca's terminal diagnosis meant she received a lump sum payment of \$220,200 to her Mercy Super account. This along with her regular monthly income protection payments of \$5,674 continued to support her family during this difficult time and financed her participation in the medical trial.

Taking out the \$220,200 already paid for the terminal illness from the total \$801,000 of cover, she still has \$580,800 in death cover that would be paid out if she died. This provides her with a sense of calm and peace of mind that her family will be protected after her passing. Rebecca is resilient and maintains a positive outlook of beating this disease through the medical trials, while also providing valuable cancer research that will only help others in the future.

Rebecca's insurance cover package

| | |
|---------------------------------|---|
| Salary | \$80,100 |
| Death cover (premium) : | \$801,000 (\$5.81 per week) |
| TPD cover (premium) : | \$220,200 (\$1.80 per week) |
| Terminal Illness cover : | \$220,200 |
| IP cover (premium) : | \$5,674 income replacement benefit plus \$667 super contribution benefit – total \$6,341 per month (\$14.03 per week) |
| Total premium : | \$21.64 per week |



Unit-based standard cover package

Death and Disability cover (two units)

If you receive the Unit-based standard cover package, you will be provided with two units of Death, TPD and Income Protection cover (Terminal Illness cover is provided as part of your Death cover with no additional premium payable). The amount of cover provided by these two units varies depending on your age as shown below. Weekly premiums are based on Annual premium rates on page 19.

| Age last birthday | Death and Terminal Illness cover | | | Disability cover | | | | Total weekly premium for standard cover package (2 units) |
|-------------------|----------------------------------|--|----------------------------|--|--------------------------|-------------------------------------|-------------------------|---|
| | Death | Terminal Illness (lesser of Death or TPD cover) | Weekly Death cover premium | Total and Permanent Disablement (TPD) TPD cover | Weekly TPD cover premium | Income Protection (IP)# IP cover | Weekly IP cover premium | |
| 15 | \$50,000 | \$50,000 | \$0.25 | \$60,000 | \$0.11 | \$- | \$0.00 | \$0.36 |
| 16 | \$50,000 | \$50,000 | \$0.25 | \$72,000 | \$0.13 | \$2,000 | \$0.15 | \$0.53 |
| 17 | \$50,000 | \$50,000 | \$0.25 | \$143,000 | \$0.26 | \$11,000 | \$0.85 | \$1.36 |
| 18 | \$50,000 | \$50,000 | \$0.25 | \$207,000 | \$0.37 | \$20,000 | \$1.57 | \$2.19 |
| 19 | \$50,000 | \$50,000 | \$0.25 | \$263,000 | \$0.47 | \$28,000 | \$2.21 | \$2.93 |
| 20 | \$50,000 | \$50,000 | \$0.25 | \$277,000 | \$0.50 | \$30,000 | \$2.38 | \$3.13 |
| 21 | \$50,000 | \$50,000 | \$0.24 | \$288,000 | \$0.52 | \$31,000 | \$2.52 | \$3.28 |
| 22 | \$50,000 | \$50,000 | \$0.22 | \$297,000 | \$0.53 | \$32,000 | \$2.66 | \$3.41 |
| 23 | \$50,000 | \$50,000 | \$0.21 | \$300,000 | \$0.60 | \$33,000 | \$2.77 | \$3.58 |
| 24 | \$50,000 | \$50,000 | \$0.20 | \$300,000 | \$0.54 | \$35,000 | \$3.03 | \$3.77 |
| 25 | \$377,000 | \$300,000 | \$1.36 | \$300,000 | \$0.60 | \$36,000 | \$3.20 | \$5.16 |
| 26 | \$388,000 | \$283,000 | \$1.40 | \$283,000 | \$0.57 | \$37,000 | \$3.33 | \$5.30 |
| 27 | \$398,000 | \$264,000 | \$1.43 | \$264,000 | \$0.63 | \$38,000 | \$3.51 | \$5.57 |
| 28 | \$408,000 | \$245,000 | \$1.47 | \$245,000 | \$0.64 | \$39,000 | \$3.71 | \$5.82 |
| 29 | \$417,000 | \$227,000 | \$1.50 | \$227,000 | \$0.64 | \$40,000 | \$3.93 | \$6.07 |
| 30 | \$426,000 | \$222,000 | \$1.62 | \$222,000 | \$0.67 | \$40,000 | \$4.12 | \$6.41 |
| 31 | \$434,000 | \$217,000 | \$1.74 | \$217,000 | \$0.69 | \$41,000 | \$4.43 | \$6.86 |
| 32 | \$441,000 | \$212,000 | \$1.85 | \$212,000 | \$0.76 | \$42,000 | \$4.80 | \$7.41 |
| 33 | \$447,000 | \$207,000 | \$1.97 | \$207,000 | \$0.83 | \$42,000 | \$5.09 | \$7.89 |
| 34 | \$453,000 | \$202,000 | \$2.17 | \$202,000 | \$0.89 | \$43,000 | \$5.52 | \$8.58 |
| 35 | \$458,000 | \$197,000 | \$2.29 | \$197,000 | \$0.99 | \$44,000 | \$6.03 | \$9.31 |
| 36 | \$463,000 | \$192,000 | \$2.55 | \$192,000 | \$1.11 | \$44,000 | \$6.51 | \$10.17 |
| 37 | \$466,000 | \$187,000 | \$2.84 | \$187,000 | \$1.20 | \$44,000 | \$6.98 | \$11.02 |
| 38 | \$470,000 | \$182,000 | \$3.15 | \$182,000 | \$1.31 | \$45,000 | \$7.69 | \$12.15 |
| 39 | \$472,000 | \$177,000 | \$3.45 | \$177,000 | \$1.45 | \$45,000 | \$8.30 | \$13.20 |
| 40 | \$474,000 | \$172,000 | \$3.70 | \$172,000 | \$1.62 | \$45,000 | \$8.93 | \$14.25 |
| 41 | \$475,000 | \$167,000 | \$4.09 | \$167,000 | \$1.84 | \$45,000 | \$9.66 | \$15.59 |
| 42 | \$475,000 | \$162,000 | \$4.42 | \$162,000 | \$2.01 | \$45,000 | \$10.51 | \$16.94 |
| 43 | \$428,000 | \$157,000 | \$4.24 | \$157,000 | \$2.23 | \$45,000 | \$11.36 | \$17.83 |
| 44 | \$427,000 | \$152,000 | \$4.57 | \$152,000 | \$2.43 | \$45,000 | \$12.37 | \$19.37 |
| 45 | \$425,000 | \$147,000 | \$4.85 | \$147,000 | \$2.68 | \$45,000 | \$13.44 | \$20.97 |
| 46 | \$376,000 | \$143,000 | \$4.74 | \$143,000 | \$2.97 | \$45,000 | \$14.60 | \$22.31 |

| Age last birthday | Death and Terminal Illness cover | | | Disability cover | | | | Total weekly premium for standard cover package (2 units) |
|-------------------|----------------------------------|--------------------------------|----------------------------|---------------------------------------|--------------------------|-------------------------|-------------------------|---|
| | Death | Terminal Illness | Weekly Death cover premium | Total and Permanent Disablement (TPD) | | Income Protection (IP)# | | |
| | | (lesser of Death or TPD cover) | | TPD cover | Weekly TPD cover premium | IP cover | Weekly IP cover premium | |
| 47 | \$374,000 | \$138,000 | \$5.12 | \$138,000 | \$3.34 | \$44,000 | \$15.56 | \$24.02 |
| 48 | \$371,000 | \$133,000 | \$5.49 | \$133,000 | \$3.74 | \$44,000 | \$16.91 | \$26.14 |
| 49 | \$322,000 | \$128,000 | \$5.22 | \$128,000 | \$4.19 | \$44,000 | \$18.42 | \$27.83 |
| 50 | \$318,000 | \$123,000 | \$5.69 | \$123,000 | \$4.59 | \$43,000 | \$19.63 | \$29.91 |
| 51 | \$269,000 | \$118,000 | \$5.33 | \$118,000 | \$5.04 | \$43,000 | \$21.44 | \$31.81 |
| 52 | \$266,000 | \$113,000 | \$5.72 | \$113,000 | \$5.50 | \$42,000 | \$22.86 | \$34.08 |
| 53 | \$261,000 | \$108,000 | \$6.16 | \$108,000 | \$5.95 | \$41,000 | \$24.33 | \$36.44 |
| 54 | \$214,000 | \$103,000 | \$5.50 | \$103,000 | \$6.27 | \$41,000 | \$26.60 | \$38.37 |
| 55 | \$168,000 | \$70,000 | \$4.70 | \$70,000 | \$4.72 | \$40,000 | \$28.36 | \$37.78 |
| 56 | \$164,000 | \$70,000 | \$4.99 | \$70,000 | \$5.22 | \$39,000 | \$31.03 | \$41.24 |
| 57 | \$120,000 | \$70,000 | \$4.00 | \$70,000 | \$5.77 | \$38,000 | \$34.00 | \$43.77 |
| 58 | \$78,000 | \$70,000 | \$2.83 | \$70,000 | \$6.37 | \$37,000 | \$37.16 | \$46.36 |
| 59 | \$76,000 | \$70,000 | \$3.02 | \$70,000 | \$7.01 | \$36,000 | \$40.54 | \$50.57 |
| 60 | \$37,000 | \$20,000 | \$1.59 | \$20,000 | \$2.20 | \$35,000 | \$41.71 | \$45.50 |
| 61 | \$36,000 | \$20,000 | \$1.69 | \$20,000 | \$2.42 | \$34,000 | \$34.62 | \$38.73 |
| 62 | \$34,000 | \$20,000 | \$1.74 | \$20,000 | \$2.69 | \$33,000 | \$27.87 | \$32.30 |
| 63 | \$33,000 | \$20,000 | \$1.86 | \$20,000 | \$2.99 | \$31,000 | \$20.81 | \$25.66 |
| 64 | \$31,000 | \$20,000 | \$1.91 | \$20,000 | \$3.32 | \$30,000 | \$8.98 | \$14.21 |

For standard Unit-based Income Protection cover, the benefit period is up to five years with a waiting period of 60 days.

Income Protection cover is a monthly benefit made up of an income replacement benefit and a super contribution that is paid to your Mercy Super account. The total amount of cover provided (including the income replacement benefit and super contribution benefit) is subject to a maximum of 95% of your actual annual income at the time of disablement for the first two years, 60% of salary for claim payments after two years.

Refer to the following table for the relevant income replacement benefit and super contribution amount.

Monthly Components - Income protection cover (two units)

The monthly income replacement benefit and superannuation contribution amounts provided by two units of the Unit-based standard cover package varies by age as shown below:

| Age last birthday | Monthly Income Protection cover | Monthly Income replacement benefit | | Monthly Super contribution benefit |
|-------------------|---------------------------------|------------------------------------|--------------------------|------------------------------------|
| | | First two years on claim | After two years on claim | |
| 15 | \$- | \$- | \$- | \$- |
| 16 | \$167 | \$149 | \$88 | \$18 |
| 17 | \$917 | \$820 | \$482 | \$97 |
| 18 | \$1,667 | \$1,491 | \$877 | \$175 |
| 19 | \$2,333 | \$2,088 | \$1,228 | \$246 |
| 20 | \$2,500 | \$2,237 | \$1,316 | \$263 |
| 21 | \$2,583 | \$2,311 | \$1,360 | \$272 |
| 22 | \$2,667 | \$2,386 | \$1,404 | \$281 |
| 23 | \$2,750 | \$2,461 | \$1,447 | \$290 |
| 24 | \$2,917 | \$2,610 | \$1,535 | \$307 |
| 25 | \$3,000 | \$2,684 | \$1,579 | \$316 |
| 26 | \$3,083 | \$2,759 | \$1,623 | \$325 |
| 27 | \$3,167 | \$2,833 | \$1,667 | \$333 |
| 28 | \$3,250 | \$2,908 | \$1,711 | \$342 |
| 29 | \$3,333 | \$2,982 | \$1,754 | \$351 |
| 30 | \$3,333 | \$2,982 | \$1,754 | \$351 |
| 31 | \$3,417 | \$3,057 | \$1,798 | \$360 |
| 32 | \$3,500 | \$3,132 | \$1,842 | \$368 |
| 33 | \$3,500 | \$3,132 | \$1,842 | \$368 |
| 34 | \$3,583 | \$3,206 | \$1,886 | \$377 |
| 35 | \$3,667 | \$3,281 | \$1,930 | \$386 |
| 36 | \$3,667 | \$3,281 | \$1,930 | \$386 |
| 37 | \$3,667 | \$3,281 | \$1,930 | \$386 |
| 38 | \$3,750 | \$3,355 | \$1,974 | \$395 |
| 39 | \$3,750 | \$3,355 | \$1,974 | \$395 |

| Age last birthday | Monthly Income Protection cover | Monthly Income replacement benefit | | Monthly Super contribution benefit |
|-------------------|---------------------------------|------------------------------------|--------------------------|------------------------------------|
| | | First two years on claim | After two years on claim | |
| 40 | \$3,750 | \$3,355 | \$1,974 | \$395 |
| 41 | \$3,750 | \$3,355 | \$1,974 | \$395 |
| 42 | \$3,750 | \$3,355 | \$1,974 | \$395 |
| 43 | \$3,750 | \$3,355 | \$1,974 | \$395 |
| 44 | \$3,750 | \$3,355 | \$1,974 | \$395 |
| 45 | \$3,750 | \$3,355 | \$1,974 | \$395 |
| 46 | \$3,750 | \$3,355 | \$1,974 | \$395 |
| 47 | \$3,667 | \$3,281 | \$1,930 | \$386 |
| 48 | \$3,667 | \$3,281 | \$1,930 | \$386 |
| 49 | \$3,667 | \$3,281 | \$1,930 | \$386 |
| 50 | \$3,583 | \$3,206 | \$1,886 | \$377 |
| 51 | \$3,583 | \$3,206 | \$1,886 | \$377 |
| 52 | \$3,500 | \$3,132 | \$1,842 | \$368 |
| 53 | \$3,417 | \$3,057 | \$1,798 | \$360 |
| 54 | \$3,417 | \$3,057 | \$1,798 | \$360 |
| 55 | \$3,333 | \$2,982 | \$1,754 | \$351 |
| 56 | \$3,250 | \$2,908 | \$1,711 | \$342 |
| 57 | \$3,167 | \$2,833 | \$1,667 | \$333 |
| 58 | \$3,083 | \$2,759 | \$1,623 | \$325 |
| 59 | \$3,000 | \$2,684 | \$1,579 | \$316 |
| 60 | \$2,917 | \$2,610 | \$1,535 | \$307 |
| 61 | \$2,833 | \$2,535 | \$1,491 | \$298 |
| 62 | \$2,750 | \$2,461 | \$1,447 | \$290 |
| 63 | \$2,583 | \$2,311 | \$1,360 | \$272 |
| 64 | \$2,500 | \$2,237 | \$1,316 | \$263 |

Example David

David is aged 41 and has the Unit-based standard cover option.

David's cover (based on the default two units of cover which will change with his age) is:

| Cover type | Amount of cover |
|-------------------|--|
| Death | \$475,000 |
| Income Protection | \$3,750 per month made up of: <ul style="list-style-type: none"> Income replacement benefit \$3,355 per month for the first two years of claim, plus Super contribution \$395 per month |
| TPD | \$167,000 |

David suffered a Total Disability preventing him from working. Following a successful claim for Income Protection benefits, David is receiving a monthly income of \$3,355 and has a contribution of \$395 per month going to his super account.

David's disability is ongoing, and his claim period extends beyond two years. After two years, the income David receives from his Income Protection benefit reduces to \$1,974 per month while a contribution of \$395 per month continues to be paid to his super account.

Adjusting your standard cover package

You can adjust the cover provided through your standard cover package to suit your needs, as follows:

Standard Death and TPD cover

- If you have Salary-based standard cover, you can elect to move to Unit-based cover (unless you advise otherwise, this will also change your standard Income Protection cover to the Unit-based cover amount). Any increase in cover as a result of this choice will be subject to approval by the insurer after the assessment of any requested health evidence.
- If you have Unit-based standard cover, you can reduce your Death and TPD cover from two units to one unit (this change will also apply to any Unit-based Income Protection cover you may have).
- You can cancel your standard Death and TPD cover, or your TPD cover.

Standard Income Protection cover

- If you have Salary-based standard cover, you can reduce your income replacement benefit amount from 85% to 50% of salary. If you do so, you will still be covered for the 10% super contribution to your Mercy Super account, providing a total cover amount of 60% of salary for the duration of a claim.
- If you have Unit-based standard cover, you can reduce your cover level from two units to one unit (this change will also apply to your Death and/or TPD cover amounts).
- You can cancel your standard Income Protection cover.

Additional salary

If you have additional salary from other sources, such as part-time private or public practice work, you can apply to add this to your Salary-based cover, subject to assessment and approval by the insurer. If accepted, this additional salary amount will be added to any employer-advised salary for all your Salary-based benefits - including your standard cover package and any voluntary income protection cover.

To vary your standard cover package, complete the *Adjusting your insurance cover* form available at mercysuper.com.au.

If you elect to reduce your cover, any future application to increase cover will be subject to assessment and approval by the insurer.



Note: If you elect to cancel or reduce your cover, any future application to increase cover will be subject to assessment and approval by the insurer.

Example

Susan's story (age 59) – celebrating with soul mates

Susan's insurance cover package

| | |
|--------------------------|---|
| Salary | \$83,000 |
| Death cover (premium) : | \$166,000 (\$6.60 per week) |
| TPD cover (premium) : | \$123,000 (\$12.32 per week) |
| Terminal Illness cover : | \$123,000 |
| IP cover (premium) : | \$5,879 income replacement benefit plus \$692 super contribution benefit – total \$6,571 per month (\$88.80 per week) |
| Total premium : | \$107.72 per week |

Life was ticking along nicely for Susan. At age 59 she enjoyed her career as a phlebotomist at the Mater and was in a happy long-time relationship with her partner, Christine. Retirement was not far off and Susan was planning to surprise Christine with a marriage proposal when they both permanently finished work.

One day, quite out of the blue, Susan started to experience some unusual pain and other symptoms and went to her doctor, who immediately ordered some tests. To her shock, she was diagnosed with pancreatic cancer and admitted to hospital. Susan and Christine then received the sad news that Susan's cancer was terminal. Not wanting to wait another day, Susan immediately proposed to Christine who accepted.

With her diagnosis of terminal illness, Susan's \$123,000 terminal illness cover was quickly paid in to her account. These funds enabled close family members from overseas to travel to Australia and join Susan and Christine at their intimate wedding ceremony in the hospital's small but beautiful chapel.

Susan's income protection cover then commenced, providing a monthly payment of \$5,879 (plus \$692 going into her super). This helped defray some of Susan's medical costs for the next three months until she passed away peacefully with Christine by her side.

As Susan's beneficiary, Christine received a final payment of \$221,213 consisting of Susan's residual death cover of \$43,000 (\$166,000 less the \$123,000 terminal illness already paid), \$19,713 as the final three months of income protection and Susan's final account balance of \$158,500. These funds offered Christine some financial relief in her time of grief and as she adjusted to life without Susan

Flexible cover options

As well as the option to adjust your standard cover package, Mercy Super gives you the flexibility to vary your insurance cover to suit your needs, including options to:

- Apply to increase your Death and/or TPD cover by adding fixed cover of any amount* to standard cover as **additional Voluntary Death and/or TPD cover**.
- Vary your Income Protection cover with a range of **Voluntary Income Protection cover** benefit and waiting period options.
- Cancel your cover.

Note: If you make any changes to your Standard Income Protection cover benefit and/or waiting periods, the Voluntary Income Protection cover premium rates which are based on your cover (benefit and waiting period), age, gender and Occupational Category (refer to page 20) will apply.

Certain occupations are excluded from Voluntary cover (see page 24). Premiums are based on your age, gender and occupational category. Refer to premium rates on page 20 for details.

Note: Your premiums will be based on a Light Blue Collar occupational category unless you advise us that you're in an alternative occupational category.

You need to be under age 60 to apply for any additional Voluntary Death and/or TPD cover or Voluntary Income Protection cover options which increase your benefit period or reduce your waiting period.



TIP: Mercy Super's standard insurance cover gives you peace of mind knowing that your family is protected. But as your life changes, so may your insurance needs. That's why it's important to regularly review your insurance cover to make sure your cover is right for you. Contact us and we'll help you make sure you're covered!

Increasing your Death and/or TPD cover

If you are under age 60 and not employed in one of the excluded occupations (see page 24), you can apply to increase your Death and/or TPD cover by adding fixed cover of any amount to your standard cover (subject to a total maximum amount of \$3 million for TPD cover*).

Note: Fixed TPD cover reduces 10% each year after age 60.

You must maintain a minimum of either your Salary-based cover (if applicable) or two units of Unit-based Death and TPD cover to apply for additional cover, and your application will be subject to assessment and approval by the insurer. To apply to add a fixed cover amount to your Death or TPD cover complete the *Adjusting your insurance cover* form available at mercysuper.com.au.

You will then need to provide any requested health evidence to enable the insurer to assess your application for additional cover. While the insurer assesses your application, you will be provided with 'Interim Accident cover' for the lesser of the benefit being applied for and \$1.5 million. More details on Interim Accident cover are on page 25.

*Maximum TPD cover applies to your total market cover provided through policies with the insurer and any other Australian life insurer.

Note: Total TPD cover (standard and additional) cannot exceed your total amount of Death cover at the time of application.

Varying your Income Protection cover

You can vary the Income Protection cover provided through your standard cover package by choosing from the Voluntary Income Protection benefit and waiting periods shown below. By varying your cover, you will have Voluntary Income Protection cover instead of standard cover.

| Benefit period | Waiting period |
|----------------|-------------------|
| Up to 2 years | 30, 60 or 90 days |
| Up to 5 years | 30 or 90 days* |
| Until age 65 | 30, 60 or 90 days |

*60 day waiting period option for a 5 year benefit period is not available within voluntary cover as this is provided by the Fund through the standard cover package.

Waiting period and benefit period

The waiting period is the period of continuous disability that must pass before any Income Protection benefit can be paid. Your waiting period begins when you first start leave due to illness or injury as certified by a doctor.

The benefit period is the maximum length of time that your Income Protection benefit will be paid. Your benefit period begins as soon as your waiting period is completed.

If, after suffering total disability (see definition on page 16), you return to work during the waiting period and this return to work proves unsuccessful due to the injury or illness causing total disability, then the original waiting period will continue as having been served if the number of days you return to work is no more than 10% of the waiting period.

Applying to vary your Income Protection cover

To vary your Income Protection cover, you'll need to complete the *Adjusting your insurance cover* form. With the exception of the one-off 30 day waiting period reduction available to new employees (see page 6), any decrease in waiting period and any increase in benefit period is subject to assessment and approval by the insurer. You may be required to provide any requested health evidence to support your application for Voluntary Income Protection cover. While the insurer assesses your application, you will be provided with 'Interim Accident cover' for the lesser of the benefit being applied for and \$15,000 per month. More details on Interim Accident cover are on page 25. Your changed cover will commence on the date you are advised in writing.



TIP: Getting your insurances in order is a key part of protecting you and your family financially. Mercy Super can explain the options available within the Fund and help set up an insurance strategy based on your personal circumstances - contact us and we'll help you get the most out of your super.

How benefits are paid

TPD benefits

TPD benefits are payable if the insurer determines that you have satisfied the definition of Total & Permanent Disablement in Mercy Super's insurance policy. The Trustee must also make a determination and be satisfied that the payment is consistent with the requirements of Mercy Super's trust deed and relevant law.



Where eligible, you may be entitled to claim your income Protection benefit as well as any TPD Benefits.

TPD definition

The following is a summary only of the definition of Total & Permanent Disablement within Mercy Super's insurance policy. Different definitions apply depending on whether you were Gainfully Employed*. This means whether you were engaged in Gainful Employment* for an average of at least 10 hours per week within the six months prior to the date of disablement.

Note: If employed less than six months, the full period of employment. Special conditions apply to claims whilst on approved leave without pay (see page 25)

| TPD definitions applicable | Gainfully Employed? | |
|---------------------------------|---------------------|----|
| | Yes | No |
| 1 - Unlikely to Return to Work | ✓ | ✗ |
| 2 - Permanent Impairment | ✓ | ✗ |
| 3 - Loss of Use Of... | ✓ | ✓ |
| 4 - Cognitive Loss | ✓ | ✓ |
| 5 - Everyday Working Activities | ✓ | ✓ |

1 - Unlikely to Return to Work

You are unable to do any work as a result of Injury or Illness for three consecutive months and in the opinion of the insurer at the end of that three months you continue to be so disabled as the result of your ill-health (whether physical or mental) that, at the time your claim is assessed, you are unlikely to resume your previous occupation at any time in the future and will be unlikely at any time in the future to engage in Gainful Employment* for which you are reasonably qualified by education, training or experience.

2 - Permanent Impairment[#]

You were engaged in Gainful Employment* when suffering an Injury or Illness and, as a result of that Injury or Illness, suffer a permanent impairment of at least 25% of whole person function as defined in the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment', 4th edition, or any other recognised standard agreed to by the insurer.

3 - Loss of Use Of...[#]

You suffer the total, permanent and irrecoverable loss of use of:

- two limbs, or
- both eyes, or
- one limb and one eye.

4 - Cognitive Loss [#]

You suffer Cognitive Loss as a result of Illness or Injury which is defined as a total and permanent deterioration or loss of intellectual capacity which requires you to be under the continuous care and supervision by another adult person for at least three consecutive months and at the end of that three month period, you are likely to require permanent ongoing continuous care and supervision by another adult person.

5 - Everyday Working Activities[#]

In the insurer's opinion, as a result of Illness or Injury, you have been under the regular care and attention of a Doctor for that Illness or Injury, and totally and irreversibly prevented from performing any two of the following Everyday Working Activities without the assistance from another adult person for at least three consecutive months.

In addition, you are unlikely to ever again be able to perform at least two of the Everyday Working Activities without the assistance from another adult person.

The *Everyday Working Activities* include:

- **Mobility** - you are unable to:
 - walk more than 200 metres on a level surface without stopping due to breathlessness, or
 - bend, kneel or squat to pick something up from the floor and straighten up again, **and** get in and out of a standard sedan car.
- **Communicating** - you are unable to:
 - speak in your first language so that you are understood in a quiet room and hear (even with a hearing aid or other aid) an instruction given in a normal voice in their first language in a quiet room, or
 - understand a simple message in your first language, and relay that message to another person.
- **Vision** - even with glasses or contact lenses, you are unable to read ordinary newsprint and pass the standard eyesight test for a car licence.
- **Lifting** - you are unable to lift, carry or move objects weighing up to 5 kilograms using your hands.
- **Manual dexterity** - you are unable to use your hands or fingers to manipulate small objects with precision (such as picking up a coin or fastening shoelaces or buttons, using cutlery, or using a pen or keyboard to write a short note).

The insurer may waive the three-month Total & Permanent Disablement waiting period and provide immediate assessment if you are suffering Paralysis[^] and all claim requirements have been received by the insurer.

Note:

**Gainfully Employed and Gainful Employment mean employed or self-employed for gain or reward in any business, trade, profession, vocation, calling, occupation or employment and includes part-time occupations, an occupation which may be perceived by the person to be of lower status than the person's previous occupation or an occupation in which the person does not earn as much income as they did in their previous occupation.*

[#]In order to satisfy Part 2, 3, 4 or 5 of the definition above, you must also be so disabled at the Date of Disablement that in the opinion of the insurer, your ill-health (whether physical or mental), makes it unlikely that at the time your claim is assessed, you will resume your previous occupation at any time in the future and that you will be unlikely at any time in the future to engage in Gainful Employment for which you are reasonably qualified by education, training or experience.

[^] Paralysis means:

- *Diplegia, the permanent and total loss of function of both sides of the body due to Injury or Illness, or*
- *Hemiplegia, the permanent and total loss of function of one side of the body due to Injury or Illness, or*
- *Paraplegia, the permanent and total loss of use of both legs resulting from Injury or Illness, or*
- *Quadriplegia/Tetraplegia, the permanent and total loss of use of both arms and both legs resulting from Injury or Illness.*

Income Protection benefits

Income Protection benefits are only payable once the waiting period has elapsed and the insurer has determined that you have satisfied the definition of Total or Partial Disability in Mercy Super's Income Protection insurance policy. The Trustee must then make a determination on each claim and part of that determination means it needs to be satisfied that the payment is consistent with the requirements of Mercy Super's trust deed and relevant law.

Total Disability definition

Total Disability means you suffer a sickness or an injury, and as a result:

- For the first two years of the relevant benefit period, you are unable to perform at least one income producing duty* of your occupation. For any remainder of the relevant benefit period, you are unable to perform your own occupation or any other occupation for which you are reasonably capable of performing by reason of education, training or experience; and
- You are under the regular care of, and following the advice of, a doctor in relation to that sickness or injury; and
- You are not working in any occupation, whether paid or unpaid.

**An income producing duty is a duty that was a part of your occupation immediately before you became disabled which generates 20% or more of your monthly income.*

Partial Disability definition

Partial Disability means that immediately following a period of at least seven days out of 12 consecutive days of Total Disability during the waiting period, and as a direct result of injury or sickness which caused your Total Disability, you:

- have resumed partial employment or, in the opinion of the insurer, are deemed capable of returning to partial employment duties; and
- receive or would receive less than your Monthly Income from your Post-Disability Income; and
- are under the continuous and regular care of a doctor undergoing the appropriate treatment.

Partial Disability benefit amount

The benefit payable on Partial Disability is determined by the formula $[(A - B)/A] \times C$ where:

- A is your Monthly Income immediately prior to your Total Disability commencing
- B is the actual Monthly Income you earned during the month you became Partially Disabled
- C is your total Monthly Income Protection benefit assuming you had suffered Total Disability.

Reduction of Income Protection benefits

If an Income Protection benefit is payable, it will be reduced or may be totally offset if you are eligible for certain other payments, whether you actually receive that income or not.

This includes income such as:

- workers' or accident compensation
- sick leave entitlements
- payment under any statutory accident compensation fund, and
- payment derived as a result of the incapacity including under any other disability, injury or sickness insurance policy

These payments are offset against the Income Protection benefit provided. Lump sum payments, including common law workers' compensation or statutory payments, are converted to a monthly amount equivalent to 1% of the lump sum amount for each month an Income Protection benefit is paid.

Your Income Protection benefit will not be affected by:

- Any payment derived as a result of incapacity under another insurance policy that insures income which is not insured under your Mercy Super cover
- Annual or long service leave entitlements
- Lump sum Total and Permanent Disablement, Trauma, Terminal Illness or superannuation benefits
- Investment income
- Centrelink or termination payments

Indexation of Income Protection benefits

Your Income Protection benefit will be indexed to help offset the impact of inflation that would have been covered by salary changes had you still been employed. At the end of every 12-month period of receiving either a Total or Partial Disability benefit, the insurer will increase your Income Protection benefit by the lower of the increase in the Average Weekly Ordinary Time Earnings (AWOTE) or 5% per annum.



Thinking of making a claim?

If you need to make an insurance claim the first thing you should do is contact us. We'll explain the forms and steps involved and make sure you're looked after throughout the process.

You can find out more, including our *Making a Total and Permanent Disablement* claim and *Making an Income Protection claim* fact sheets, at mercysuper.com.au/insurance/make-a-claim/

How Income Protection benefits are paid

Any Income Protection benefits you are entitled to will be paid monthly in arrears and calculated on a daily basis. If, for example, you were claiming for 16 days of a month, then your monthly benefit would be calculated on a 16/30 basis.

Any tax, or duty or other payment that is required to be deducted by law, will be deducted from your benefit and forwarded to the relevant authority. The insurer will issue you with a Payment Summary for tax purposes if any tax is deducted.

Income Protection benefit payments will stop at the earliest of the following:

- when you are no longer Totally or Partially Disabled
- when you are no longer under the regular care and following the advice of a Doctor
- when your benefit period expires
- when you reach age 65
- if you die
- a fraudulent claim is made, or
- if you do not provide the insurer with all the relevant information required to assess your claim.

While you are overseas, benefits will be payable for no more than six months until your return to Australia when any ongoing payment you are eligible for will recommence.

Additional benefits

If you are receiving Income Protection benefits, you may also be eligible for additional benefits including:

- Rehabilitation Expense Benefit – where the insurer may meet your expenses if you are participating in an approved rehabilitation program that they believe will assist in your return to work.
- Workplace Modification Benefit – where modification expenses may be paid in order to have your workplace modified to facilitate your return to work.
- Death Benefit whilst on claim – where a lump sum amount equivalent to three months of your insured monthly benefit will be paid to your beneficiaries on your death.

There are conditions and criteria that may apply before accessing these additional benefits which are detailed within Mercy Super's Income Protection insurance policy. You can contact us for a copy of the relevant policy terms and conditions.

Example

Michelle's story (age 49) – honouring fond memories

Michelle's insurance cover package

| | |
|---------------------------------|---|
| Salary | \$87,700 |
| Death cover (premium) : | \$613,900 (\$9.93 per week) |
| TPD cover (premium) : | \$147,700 (\$4.83 per week) |
| Terminal Illness cover : | \$147,700 |
| IP cover (premium) : | \$6,212 income replacement benefit plus \$731 super contribution benefit – total \$6,943 per month (\$34.88 per week) |
| Total premium : | \$49.64 per week |

Michelle loved her career as a community services team leader, but at 49 she was starting to look forward to winding back work and moving into retirement. She and husband, David, had plans to travel, while their two children, Sam and Kate, would be well and truly finished their Uni studies in nursing and psychology respectively. Michelle was in good health for her age, with no major health issues or conditions, and maintained her regular fitness routine of yoga and Body Pump classes.

However, one tragic day changed Michelle and her family's lives forever. Catching her usual train to work, Michelle suffered a sudden and major brain haemorrhage, falling into a coma. Given her good state of health, there was nothing in Michelle's medical background that could have provided any warning. Michelle was taken to hospital and her condition pronounced grave. She was placed on life support and David, Sam and Kate rushed to her side, where they kept a bedside vigil. Michelle's condition didn't improve, and doctors stated she would not recover. The family finally made the difficult decision to switch off Michelle's life support.

Working in the healthcare industry, Michelle had always understood the importance of insurance cover and had previously taken the simple step of making a binding nomination on her death cover. This meant her death cover of \$613,900 and super account balance of \$114,700, a total of \$728,600, was able to be quickly paid to David.

The money provided David with some financial relief in his time of grief as he sought to make arrangements for his and his children's future. The funds have also assisted Sam and Kate to complete their health-based university studies, which they returned to with renewed focus in honour of their mother.

Example

Emily's story (age 22) – enabling new dreams

Emily's insurance cover package

| | |
|---------------------------------|--|
| Salary | \$54,000 |
| Death cover (premium) : | \$50,000 (\$0.22 per week) |
| TPD cover (premium) : | \$438,000 (\$0.79 per week) |
| Terminal Illness cover : | \$50,000 |
| IP cover (premium) : | \$3,825 income replacement benefit plus \$450 super contribution benefit – total \$4,275 per month (\$4.26 per week) |
| Total premium : | \$5.27 per week |

Emily has always had a passion for life and a strong desire to help others. After graduating, she launched her career as a nurse at Mater, juggling this with her passions of basketball and riding her beloved horse, Jude.

Tragically, one fateful weekend Emily's carefree lifestyle came to a sudden halt. Emily and Jude were enjoying the expansive terrain of her parents property when, coming over an embankment, Jude was spooked by a brown snake, bucking wildly and flinging Emily from the saddle.

Emily sustained severe injuries that left her permanently disabled, no longer able to use her legs and confined to a wheelchair.

Emily had the foresight to opt-in to receive the Salary-based standard insurance cover package when she first joined Mercy Super. Her permanent disability meant she received a lump sum payment of \$438,000 into her Mercy Super account providing much needed financial support that enabled her parents to make the necessary adjustments to their home to cater to Emily's needs. It also helped cover their initial loss of income while they adjusted to becoming long-term carers.

Once Emily was off work for 60 days she also received her regular monthly income protection payments of \$3,825 with an additional \$450 going to her super account. She'll continue to receive these payments for two years at which point they'll reduce to a 50% payment of \$2,250 per month (with the additional \$450 per month still going to her super account) for another three years.

This level of financial security means she can focus on the things important to her and reframe her dreams and goals. Drawing on her inherent positive outlook, she's now working towards following her passion to play basketball as a Paralympian.



Premium rates

Standard cover package

Premiums for Mercy Super's standard cover package (both Salary-based and Unit-based) depend on your age and the amount of cover you have. The table below shows the cost per year of each \$1,000 of standard Death and Total and Permanent Disablement (TPD) cover and for each \$1,000 p.a. of standard Income Protection cover. The annual premiums can be calculated by dividing your cover amount by \$1,000 and multiplying it by the premiums that correspond to your age at your last birthday.

Annual premium per \$1,000 sum insured

| Age last birthday | Death cover | Income Protection cover | TPD cover |
|-------------------|-------------|-------------------------|-----------|
| 15 | 0.258 | 3.980 | 0.094 |
| 16 | 0.258 | 4.010 | 0.094 |
| 17 | 0.258 | 4.040 | 0.094 |
| 18 | 0.258 | 4.070 | 0.094 |
| 19 | 0.258 | 4.100 | 0.094 |
| 20 | 0.258 | 4.130 | 0.094 |
| 21 | 0.248 | 4.220 | 0.094 |
| 22 | 0.228 | 4.320 | 0.094 |
| 23 | 0.219 | 4.370 | 0.105 |
| 24 | 0.208 | 4.510 | 0.094 |
| 25 | 0.189 | 4.630 | 0.105 |
| 26 | 0.189 | 4.680 | 0.105 |
| 27 | 0.189 | 4.800 | 0.125 |
| 28 | 0.189 | 4.950 | 0.136 |
| 29 | 0.189 | 5.110 | 0.146 |
| 30 | 0.198 | 5.360 | 0.156 |
| 31 | 0.208 | 5.620 | 0.166 |
| 32 | 0.219 | 5.940 | 0.188 |
| 33 | 0.228 | 6.300 | 0.208 |
| 34 | 0.248 | 6.670 | 0.229 |
| 35 | 0.258 | 7.130 | 0.260 |
| 36 | 0.287 | 7.690 | 0.302 |
| 37 | 0.317 | 8.250 | 0.332 |
| 38 | 0.347 | 8.880 | 0.374 |
| 39 | 0.377 | 9.590 | 0.426 |

| Age last birthday | Death cover | Income Protection cover | TPD cover |
|-------------------|-------------|-------------------------|-----------|
| 40 | 0.406 | 10.320 | 0.488 |
| 41 | 0.445 | 11.160 | 0.571 |
| 42 | 0.485 | 12.140 | 0.644 |
| 43 | 0.515 | 13.130 | 0.737 |
| 44 | 0.554 | 14.290 | 0.830 |
| 45 | 0.594 | 15.530 | 0.944 |
| 46 | 0.654 | 16.870 | 1.079 |
| 47 | 0.713 | 18.390 | 1.256 |
| 48 | 0.772 | 19.990 | 1.463 |
| 49 | 0.841 | 21.770 | 1.702 |
| 50 | 0.931 | 23.740 | 1.940 |
| 51 | 1.029 | 25.920 | 2.221 |
| 52 | 1.118 | 28.300 | 2.532 |
| 53 | 1.227 | 30.860 | 2.864 |
| 54 | 1.336 | 33.730 | 3.165 |
| 55 | 1.455 | 36.870 | 3.507 |
| 56 | 1.583 | 41.370 | 3.881 |
| 57 | 1.732 | 46.530 | 4.285 |
| 58 | 1.890 | 52.230 | 4.731 |
| 59 | 2.068 | 58.560 | 5.209 |
| 60 | 2.236 | 61.970 | 5.716 |
| 61 | 2.444 | 52.950 | 6.287 |
| 62 | 2.661 | 43.920 | 7.003 |
| 63 | 2.928 | 34.900 | 7.771 |
| 64 | 3.205 | 15.560 | 8.631 |

Examples

Jessica

In the Salary-based cover example on page 8, Jessica, aged 34, is provided with \$880,000 of Death cover, total annual Income Protection cover of \$76,000 (95% of her salary) and \$300,000 of TPD cover.

The annual cost of Jessica's standard cover is:

| Cover type | Annual premium |
|---|--------------------------------------|
| Death | \$218.24 (\$880,000/\$1,000 x 0.248) |
| Income Protection | \$506.92 (\$76,000/\$1,000 x 6.670) |
| TPD | \$68.70 (\$300,000/\$1,000 x 0.229) |
| Total annual premium for Jessica's Salary-based standard cover package: \$793.86 (\$15.27 per week) | |

David

In the Unit-based cover example on page 12, David, aged 41, is provided with \$475,000 of Death cover, total annual Income Protection cover of \$45,000 and \$167,000 of TPD cover.

The annual cost of David's standard cover package is:

| Cover type | Annual premium |
|---|--------------------------------------|
| Death | \$211.38 (\$475,000/\$1,000 x 0.445) |
| Income Protection | \$502.20 (\$45,000/\$1,000 x 11.160) |
| TPD | \$95.36 (\$167,000/\$1,000 x 0.571) |
| Total annual premium for David's Unit-based standard cover package: \$808.94 (\$15.56 per week) | |

Additional Voluntary Death or TPD cover

Premiums for additional Voluntary Death or TPD cover are determined by your age, gender and occupational category as shown in the tables below. The insurer will determine your occupational category based on the information provided on your application for Voluntary cover and according to the occupational classifications within Mercy Super's insurance policy.

Your additional Voluntary Death or TPD cover is a fixed cover amount. With fixed cover, the amount of cover stays the same, but the premium you pay changes with age. To determine your annual premium, divide your required level of cover by \$1,000 and multiply it by the premium and occupational factor that corresponds to your gender and occupational category.

Note: Any fixed TPD cover will be reduced by 10% for each year after age 60.

Base annual premium per \$1,000 sum insured

| Age last birthday | Death cover | TPD cover | Age last birthday | Death cover | TPD cover |
|-------------------|-------------|-----------|-------------------|-------------|-----------|
| 15 | 0.230 | 0.097 | 40 | 0.360 | 0.531 |
| 16 | 0.230 | 0.097 | 41 | 0.399 | 0.599 |
| 17 | 0.230 | 0.097 | 42 | 0.429 | 0.695 |
| 18 | 0.230 | 0.097 | 43 | 0.460 | 0.782 |
| 19 | 0.230 | 0.097 | 44 | 0.491 | 0.898 |
| 20 | 0.230 | 0.097 | 45 | 0.529 | 1.014 |
| 21 | 0.215 | 0.107 | 46 | 0.582 | 1.158 |
| 22 | 0.199 | 0.107 | 47 | 0.629 | 1.351 |
| 23 | 0.199 | 0.097 | 48 | 0.690 | 1.554 |
| 24 | 0.184 | 0.107 | 49 | 0.751 | 1.815 |
| 25 | 0.169 | 0.107 | 50 | 0.828 | 2.075 |
| 26 | 0.169 | 0.116 | 51 | 0.911 | 2.384 |
| 27 | 0.169 | 0.126 | 52 | 0.996 | 2.712 |
| 28 | 0.169 | 0.145 | 53 | 1.088 | 3.069 |
| 29 | 0.169 | 0.145 | 54 | 1.187 | 3.388 |
| 30 | 0.177 | 0.165 | 55 | 1.295 | 3.754 |
| 31 | 0.184 | 0.184 | 56 | 1.409 | 4.150 |
| 32 | 0.192 | 0.203 | 57 | 1.540 | 4.584 |
| 33 | 0.207 | 0.222 | 58 | 1.685 | 5.057 |
| 34 | 0.222 | 0.242 | 59 | 1.839 | 5.578 |
| 35 | 0.230 | 0.280 | 60 | 1.991 | 6.119 |
| 36 | 0.261 | 0.309 | 61 | 2.168 | 6.736 |
| 37 | 0.284 | 0.348 | 62 | 2.374 | 7.479 |
| 38 | 0.306 | 0.406 | 63 | 2.604 | 8.319 |
| 39 | 0.337 | 0.454 | 64 | 2.857 | 9.236 |

Occupational factors

| Occupational category* | Death premium factor | | TPD premium factor | |
|------------------------|----------------------|------|--------------------|------|
| | Female | Male | Female | Male |
| Professional | 0.76 | 1.37 | 0.55 | 0.55 |
| White Collar | 0.85 | 1.53 | 0.61 | 0.61 |
| Light Blue Collar | 1.00 | 1.80 | 1.00 | 1.00 |
| Blue Collar | 1.03 | 2.04 | 1.73 | 1.73 |
| Heavy Blue Collar | 1.13 | 2.35 | 2.21 | 2.21 |

*Refer to page 24 for details of occupations that apply to these occupational categories.

Examples

Jessica

In the cost of standard cover example on page 19, Jessica, aged 34, had a total annual cost of \$793.86 for her Salary-based standard cover package. Jessica has applied and been accepted by the insurer for an additional \$120,000 fixed amount of Death and TPD cover.

During the assessment of her application, the insurer advised Jessica's occupation placed her in the 'White Collar' occupation category providing her with an Occupational factor of 0.85 for additional Death and 0.61 for additional TPD cover from the table on the previous page.

The annual cost of Jessica's **additional** cover is:

| Cover type | Premium |
|------------|---|
| Death | \$22.64 ($\$120,000/\$1,000 \times 0.222 \times 0.85$) |
| TPD | \$17.71 p.a. ($\$120,000/\$1,000 \times 0.242 \times 0.61$) |

Total annual premium for Jessica's additional Death and TPD cover: \$40.35 payable in addition to her standard cover package premium (\$0.78 per week)

David

In the cost of standard cover example on page 19, David, aged 41, had a total annual cost of \$808.94 for his Unit-based standard cover package. David has applied and been accepted by the insurer for an additional \$275,000 fixed amount of Death only cover.

During the assessment of his application, the insurer advised David's occupation placed him in the 'Blue Collar' occupation category providing him with an Occupational factor of 2.04 for additional Death cover from the table on the previous page.

The annual cost of David's **additional** cover is:

| Cover type | Premium |
|------------|---|
| Death | \$223.84 ($\$275,000/\$1,000 \times 0.399 \times 2.04$) |

Total annual premium for David's additional Death cover: \$223.84 payable in addition to his standard cover package premium (\$4.30 per week)



Voluntary Income Protection cover

The options that you choose for your Income Protection cover will have an impact on the cost of your cover. Increasing the benefit period for your Income Protection cover generally increases the cost of cover, while increasing the waiting period generally reduces the cost of cover.

Premiums for Voluntary Income Protection cover are determined by your age, gender, occupational category, nominated benefit period and waiting period as shown in the tables below. The insurer will determine your occupational category based on the information provided on your application for Voluntary cover and according to the occupational classifications within Mercy Super's insurance policy.

To determine your annual premium for Voluntary Income Protection cover, divide your level of annual cover amount (95% of your salary) by \$1,000 and multiply it by the premium and occupational factor that corresponds to your gender and occupational category.

Base annual premium per \$1,000 of Voluntary Income Protection cover

| Age last birthday | 2 year benefit period | | | 5 year benefit period | | To age 65 benefit period | | |
|-------------------|-----------------------|-------------|-------------|-----------------------|-------------|--------------------------|-------------|-------------|
| | 30 day wait | 60 day wait | 90 day wait | 30 day wait | 90 day wait | 30 day wait | 60 day wait | 90 day wait |
| 15 | \$5.19 | \$3.06 | \$2.10 | \$7.72 | \$2.92 | \$21.03 | \$17.26 | \$11.54 |
| 16 | \$5.19 | \$3.06 | \$2.10 | \$7.72 | \$2.92 | \$21.03 | \$17.26 | \$11.54 |
| 17 | \$5.19 | \$3.06 | \$2.10 | \$7.72 | \$2.92 | \$21.29 | \$17.48 | \$11.67 |
| 18 | \$5.19 | \$3.06 | \$2.10 | \$7.72 | \$2.92 | \$21.46 | \$17.68 | \$11.80 |
| 19 | \$5.19 | \$3.06 | \$2.10 | \$7.72 | \$2.92 | \$21.66 | \$17.84 | \$11.88 |
| 20 | \$5.19 | \$3.06 | \$2.10 | \$7.81 | \$2.96 | \$21.86 | \$18.04 | \$12.01 |
| 21 | \$5.26 | \$3.10 | \$2.10 | \$8.05 | \$3.01 | \$22.38 | \$18.37 | \$12.21 |
| 22 | \$5.34 | \$3.14 | \$2.10 | \$8.24 | \$3.06 | \$22.87 | \$18.72 | \$12.39 |
| 23 | \$5.37 | \$3.15 | \$2.10 | \$8.43 | \$3.08 | \$23.42 | \$19.09 | \$12.58 |
| 24 | \$5.47 | \$3.23 | \$2.10 | \$8.65 | \$3.18 | \$23.98 | \$19.44 | \$12.78 |
| 25 | \$5.56 | \$3.29 | \$2.10 | \$8.88 | \$3.18 | \$24.53 | \$19.83 | \$12.99 |
| 26 | \$5.63 | \$3.31 | \$2.10 | \$9.12 | \$3.18 | \$25.46 | \$20.60 | \$13.89 |
| 27 | \$5.77 | \$3.36 | \$2.10 | \$9.41 | \$3.22 | \$26.58 | \$21.53 | \$14.58 |
| 28 | \$5.92 | \$3.43 | \$2.10 | \$9.80 | \$3.22 | \$27.94 | \$22.54 | \$15.24 |
| 29 | \$6.10 | \$3.53 | \$2.14 | \$10.23 | \$3.31 | \$29.51 | \$23.68 | \$15.83 |
| 30 | \$6.36 | \$3.67 | \$2.23 | \$10.80 | \$3.44 | \$31.31 | \$24.98 | \$16.43 |
| 31 | \$6.65 | \$3.82 | \$2.26 | \$11.35 | \$3.53 | \$33.32 | \$26.37 | \$17.10 |
| 32 | \$6.96 | \$4.01 | \$2.34 | \$12.01 | \$3.69 | \$35.48 | \$27.94 | \$17.80 |
| 33 | \$7.33 | \$4.23 | \$2.47 | \$12.72 | \$3.91 | \$37.87 | \$29.64 | \$18.61 |
| 34 | \$7.69 | \$4.46 | \$2.63 | \$13.52 | \$4.17 | \$40.40 | \$31.46 | \$19.56 |
| 35 | \$8.12 | \$4.73 | \$2.78 | \$14.40 | \$4.46 | \$43.11 | \$33.51 | \$20.71 |
| 36 | \$8.67 | \$5.07 | \$2.95 | \$15.36 | \$4.72 | \$45.98 | \$35.68 | \$22.02 |
| 37 | \$9.19 | \$5.41 | \$3.23 | \$16.41 | \$5.16 | \$48.98 | \$38.00 | \$23.61 |
| 38 | \$9.76 | \$5.80 | \$3.51 | \$17.53 | \$5.63 | \$52.16 | \$40.50 | \$25.43 |
| 39 | \$10.40 | \$6.22 | \$3.82 | \$18.69 | \$6.15 | \$56.51 | \$43.18 | \$27.55 |
| 40 | \$11.02 | \$6.66 | \$4.14 | \$19.91 | \$6.78 | \$60.87 | \$46.01 | \$30.03 |
| 41 | \$11.74 | \$7.16 | \$4.55 | \$21.20 | \$7.48 | \$65.24 | \$48.95 | \$32.75 |
| 42 | \$12.58 | \$7.76 | \$5.00 | \$22.63 | \$8.28 | \$69.00 | \$52.10 | \$35.83 |
| 43 | \$13.42 | \$8.35 | \$5.61 | \$24.12 | \$9.23 | \$72.84 | \$55.36 | \$39.26 |
| 44 | \$14.36 | \$9.03 | \$6.16 | \$25.68 | \$10.26 | \$76.75 | \$58.76 | \$42.95 |
| 45 | \$15.37 | \$9.78 | \$6.90 | \$27.47 | \$11.42 | \$80.73 | \$62.28 | \$46.93 |
| 46 | \$16.46 | \$10.57 | \$7.73 | \$29.32 | \$12.65 | \$84.71 | \$65.86 | \$51.28 |
| 47 | \$17.68 | \$11.46 | \$8.63 | \$31.31 | \$14.02 | \$88.76 | \$69.51 | \$55.75 |
| 48 | \$18.97 | \$12.41 | \$9.67 | \$33.48 | \$15.58 | \$92.79 | \$73.23 | \$60.52 |

Base annual premium per \$1,000 of Voluntary Income Protection cover (continued)

| Age last birthday | 2 year benefit period | | | 5 year benefit period | | To age 65 benefit period | | |
|-------------------|-----------------------|-------------|-------------|-----------------------|-------------|--------------------------|-------------|-------------|
| | 30 day wait | 60 day wait | 90 day wait | 30 day wait | 90 day wait | 30 day wait | 60 day wait | 90 day wait |
| 49 | \$20.38 | \$13.45 | \$10.85 | \$35.79 | \$17.30 | \$96.77 | \$76.91 | \$65.25 |
| 50 | \$21.92 | \$14.60 | \$12.16 | \$37.92 | \$19.14 | \$100.68 | \$80.57 | \$70.06 |
| 51 | \$23.67 | \$15.88 | \$13.66 | \$40.16 | \$21.25 | \$104.44 | \$84.10 | \$74.87 |
| 52 | \$25.55 | \$17.27 | \$15.35 | \$42.55 | \$23.52 | \$108.03 | \$87.45 | \$79.52 |
| 53 | \$27.60 | \$18.75 | \$17.24 | \$45.11 | \$25.96 | \$111.34 | \$90.54 | \$83.87 |
| 54 | \$29.88 | \$20.42 | \$19.33 | \$47.35 | \$28.66 | \$114.32 | \$93.23 | \$87.68 |
| 55 | \$32.39 | \$22.25 | \$21.75 | \$50.24 | \$31.50 | \$116.80 | \$95.44 | \$90.86 |
| 56 | \$35.20 | \$24.27 | \$23.72 | \$53.20 | \$34.20 | \$118.70 | \$97.08 | \$94.90 |
| 57 | \$38.27 | \$26.46 | \$25.87 | \$56.23 | \$36.51 | \$119.87 | \$97.95 | \$95.74 |
| 58 | \$41.76 | \$28.93 | \$28.29 | \$59.31 | \$38.81 | \$119.70 | \$97.48 | \$95.28 |
| 59 | \$45.56 | \$31.64 | \$30.93 | \$62.23 | \$41.07 | \$117.01 | \$94.82 | \$92.69 |
| 60 | \$49.81 | \$34.63 | \$33.86 | \$64.46 | \$42.88 | \$99.26 | \$74.92 | \$74.05 |
| 61 | \$54.59 | \$37.97 | \$37.11 | \$65.36 | \$44.43 | \$81.51 | \$55.02 | \$55.41 |
| 62 | \$59.51 | \$41.38 | \$40.46 | \$63.16 | \$42.93 | \$65.63 | \$45.64 | \$44.62 |
| 63 | \$50.18 | \$34.90 | \$34.11 | \$50.18 | \$34.11 | \$50.18 | \$34.90 | \$34.11 |
| 64 | \$22.38 | \$15.56 | \$15.21 | \$22.38 | \$15.21 | \$22.38 | \$15.56 | \$15.21 |

Occupational factors

| Occupational Category* | Income Protection premium factor | |
|------------------------|----------------------------------|------|
| | Female | Male |
| Professional | 0.64 | 0.43 |
| White Collar | 0.71 | 0.48 |
| Light Blue Collar | 1.00 | 0.67 |
| Blue Collar | 1.57 | 1.05 |
| Heavy Blue Collar | 2.14 | 1.43 |

*Refer to page 24 for details of occupations that apply to these occupational categories.

Example

Jessica

In the example on page 8, Jessica, aged 34, is on a salary of \$80,000 p.a. Jessica is provided with \$76,000 p.a. in total of Income Protection cover (made up of an income replacement component of \$68,000 p.a. and a super contribution component of \$8,000 p.a.). For her standard cover with a 5-year benefit period and a 60-day waiting period, Jessica's premium was \$506.92 p.a.

Jessica wants to increase her benefit period for cover up to age 65 with a longer waiting period of 90 days. From the example on page 21 we know that Jessica is classified within the 'White Collar' Occupational Category providing her with an Income Protection Occupation factor of 0.71 from the Occupational factors table.

The premium for Jessica's Voluntary Income Protection cover would be \$1,055.46 p.a. (\$20.30 per week) ($\$76,000/\$1,000 \times \$19.56 \times 0.71$). This premium would replace the Income Protection premium from her standard cover package.

Also, as Jessica wants to increase the benefit period that applies to her Income Protection cover, her application will be subject to assessment and acceptance by the insurer.

Occupational classifications and excluded occupations

| Occupational category | Type of occupation |
|---|---|
| Professional | Employees who hold a tertiary qualification and are registered by a government body for which it is necessary as a requisite for practising in that occupation and are members of a professional institute and earn more than \$100,000 p.a. These occupations must be working in a sedentary capacity in an office environment, in an office or retail building, with less than 20% of time spent outdoors (for example, solicitor, accountant). This category also includes CEOs of companies, medical practitioners and dentists, etc. |
| White Collar | Employees whose duties are primarily sedentary and who work in an office environment. This category includes indoor occupations who may hold university degrees or CAE degree and engaged in clerical and/or administrative office based duties working indoors and in a sedentary capacity (for example, bank clerk, office administrator, management consultant, Information technology consultant). |
| Light Blue Collar | Employees mainly engaged in light manual duties or who travel but do not deliver goods (for example, retail and sales personnel, computer technicians, nurses, supervisors of manual work or professionals with some fieldwork). |
| Blue Collar | Skilled trades-persons and semi-skilled employees who hold a trade certificate and who perform a moderate amount of manual work (for example, plumber, carpenter, psychiatric nurse). |
| Heavy Blue Collar | Unskilled employees mainly performing manual work or skilled employees performing heavy manual work (for example, construction workers, factory workers, cleaners, labourers, delivery drivers, storemen, production workers and machine operators). |
| Excluded occupations for voluntary cover options | <p>Unless the insurer has expressly agreed in writing to provide cover for you, any occupations which include any of the following duties are excluded from any variance to additional Voluntary Death or TPD cover or any variances to the standard Income Protection cover provided for you:</p> <ul style="list-style-type: none"> • Air traffic controller • Earth drilling, mineral exploration, miner or person working with explosives • Fireman, police, ambulance officer or paramedic • Fisherman • Forestry worker • Offshore oil rig worker • Pilot • Professional entertainer such as actor, dancer, musician or stage performer • Professional or semi-professional sports people • Seasonal workers or employees in industries with a high level of seasonal or casual workforce • Security guard, doormen, bouncer or person employed in crowd control • Sex worker • Sheltered workshop employees • Underground or underwater worker • Workers in the horse racing industry such as trainer, jockey or strapper • Workers whose work requires them to work at heights above 10 metres such as rigger, scaffolder, roof worker or antenna erector |

Other important information

Terminal illness benefit

If you have Death cover and you suffer an illness and two medical practitioners (at least one being a specialist in an area related to the illness) certify that this illness is highly likely to result in your death within a period of 24 months, you will be paid a terminal illness benefit. If you have TPD cover the benefit will be equal to the lesser of your Death cover and TPD cover benefit. If you have Death cover only the benefit will be equal to your Death benefit (subject to a maximum of \$3 million).

Transferring insurance cover

If you are under age 65 and not employed in one of the excluded occupations (see page 24), and you have Death or Death and TPD cover with another employer sponsored super fund, you can apply to transfer that cover to Mercy Super, provided you cancel any insurance cover you have with the other fund. Any transferred Death or Death and TPD cover is subject to a maximum of \$1.5 million (including your existing cover through Mercy Super) and acceptance by the insurer.

Cancelling insurance cover

You can cancel part or all of your insurance cover at any time by logging into your account through **Member Online** or completing an *Adjusting your insurance cover* form available from mercysuper.com.au or by contacting us.

Insurance premiums for your Death, TPD and Income Protection cover will be deducted from your account until you notify (using an approved form) Mercy Super that you wish to cancel your cover.

If you reduce or cancel any cover, you will need to complete a health statement to be assessed and accepted by the insurer should you request any subsequent increase in cover from Mercy Super.



If your account becomes inactive for a continuous period of 16 months (i.e. there has been no Employer, Member or other eligible contribution, including rollovers to your Mercy Super account) your insurance cover will be cancelled unless you make an election to opt-in to keep your cover.

Interim Accident cover

If your application for cover or increased cover requires you to be underwritten, you will be covered by interim accident cover for the same type of cover that you have applied for (Death, TPD, and/or Income Protection) while your application is being considered by the insurer. The amount of interim accident cover you are provided is the lower of the increase you're applying for and \$1.5 million for Death and TPD cover, or \$15,000 per month for Income Protection cover.

An interim accident cover benefit is only payable if you suffer an injury that results in:

- your death (if your application was for death cover);
- you becoming Totally and Permanently Disabled (if your application was for TPD cover);
- you becoming Totally Disabled (if your application was for Income Protection cover).

This interim accident cover applies from the date we receive your properly completed application and ceases when:

- the insurer makes a decision on your application or the offer period for any special term expires (if earlier);
- you withdraw or cancel your application;
- 90 days has passed since your accident cover started (subject to any extension provided in relation to special terms); or
- your eligibility for cover ceases (see page 26).

Disability cover whilst on approved leave without pay

Any TPD claims arising from events during a period of approved leave without pay will be based on your employment status and cover arrangements immediately prior to the commencement of your leave as long as:

- You continue to be employed and premiums for your cover are paid from your account as they fall due
- The period you are on approved leave without pay is no longer than two years, and
- You were engaged in Gainful Employment for an average of at least 10 hours per week in the six months prior to commencing your leave (or for your full period of employment if employed less than six months).

Otherwise TPD claims will be based on definitions relating to not being Gainfully Employed (see page 15).

For income protection benefit claims, the benefit will accrue from the latter of:

- The expiry of the relevant waiting period, and
- The return to work date agreed with your employer.

Your monthly income protection benefit will be based on your cover arrangements immediately prior to the commencement of your leave. All income protection cover is limited by your actual income. If the period of approved leave is no longer than two years any Income Protection claim limit will be based on your income immediately prior to your commencement of leave. For periods of leave longer than two years, claims will be based on your income averaged over the 12 months immediately prior to the date of your disability.

Cooling off period

We will provide a cooling off period for any application for new cover or increases to your cover. During this cooling off period, you can cancel the new cover arrangements and obtain a refund of any premiums that have been deducted from your account.

The cooling off period is 28 days from the date of the letter we provide to you confirming your new cover arrangements.

Insurance cover exclusions

No insurance cover will be payable where a claim arises directly or indirectly as a result of war or an act of war or as a result of you having been in a country listed on the Department of Foreign Affairs & Trade website (www.dfat.gov.au) as subject to a “do not travel” warning which was issued more than three days before you were in the listed country.

For members who were in receipt of a disability support pension from Centrelink on commencement in the Fund, a claim for TPD cover will not be payable if the claim is in respect of the existing disability that the member has upon which their Centrelink disability support pension is based.

Any additional Voluntary Death and TPD cover amounts are also subject to the following exclusions:

- No additional Death cover will be paid where the death is caused by suicide or attempted suicide which occurs within 13 months from the date the additional cover commenced.
- No additional Total and Permanent Disablement cover will be paid where the disability is the result of an intentional self-inflicted injury or attempted suicide which occurs within 13 months from the date the additional cover commenced.

An Income Protection benefit will not be paid where the disability arises in connection with:

- intentional self-inflicted injury or attempted suicide (whether or not you are sane at the time)
- normal and uncomplicated pregnancy or childbirth
- participation in a criminal act, or
- war or act of war.

Your Income Protection insurance covers you 24 hours a day on a worldwide basis. However, unless you are continually residing in Australia, the payment of your benefits may be restricted.

Insurance on leaving your employer

If you leave one of our Core Participating Employers but remain a member of Mercy Super, your insurance cover will be maintained without the hassle of re-applying. Your benefits will continue to be based on the employment arrangements you had when you left your employment unless you advise otherwise.

If you have Salary-based cover, the salary used for your insurance cover will remain fixed unless you advise us of an alternative annual salary amount. Note: if your advised salary results in an increase in Salary-based cover, this increase will be subject to assessment and approval by the insurer.



Warning: If you close your account for any reason such as transferring your super to another complying super fund, your Mercy Super insurance cover will cease.

Recommencing with a Core Participating Employer

If you have cover and recommence employment with one of our Core Participating Employers (outlined on page 3) who pays your super contributions to your Mercy Super account, your insurance cover will be reset to the standard cover package based on your new employment arrangements. If the basis of your cover changes you have a 60 day option to retain your previous cover arrangements by completing a *Previous cover election form*.

If you don't have cover and recommence employment with a Core Participating Employer, you have a 60 day option to opt in to the standard cover package based on your new employment arrangements.

When does cover cease?

Your Mercy Super insurance cover ceases on the earliest of the following:

- the date your Mercy Super account balance is insufficient to pay premiums, with a 90 day period to rectify any unpaid premiums
- the date your Mercy Super account has been inactive for 16 consecutive months and you have not provided prior confirmation to us that you wish to keep your insurance cover
- you are no longer a member of the Fund
- the date we receive your validated advice that you no longer wish to have insurance cover (or the beginning of any relevant cooling off period if earlier)
- the date you cease to be an Australian resident (see page 3)
- the date you reach age 65
- the date of your death
- the date you commence active service with the armed services of any country (excluding Australian Defence Force Reserves not deployed overseas)
- the date the policy that governs these insurance arrangements is terminated or cancelled
- the date you reside overseas for longer than five consecutive years
- the date you are the subject of a fraudulent claim under the policy
- for Death and TPD insurance cover, the date you:
 - are paid a TPD benefit which is not less than the amount of your Death benefit, or
 - are paid a Terminal Illness benefit which is not less than the amount of your Death benefit (for Death cover) or TPD benefit (for TPD cover).
- for Income Protection insurance cover, the date you:
 - retire permanently from the workforce.

Respecting your privacy

Mercy Super abides by the Australian Privacy Principles under the Privacy Act (as amended) and has a Privacy Policy that sets out in detail how we handle our members' personal information. Go to mercysuper.com.au or contact us for a copy.

Mercy Super group insurance policies

This guide summarises the terms and conditions contained in the policy documents issued by the insurer to the Trustee. You can contact us for a copy of the relevant policy terms and conditions.

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Make sure you've also read...

- Rules relating to when super benefits can be accessed in our *How to apply for a super payout form*
- Information on who can receive a death benefit in our *Nominating your beneficiaries fact sheet*

These documents can be found at mercysuper.com.au

Contact us

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|-----------|--|
| IN PERSON | Potter Building, Ground Floor, Mater Health Services, South Brisbane QLD |
| MAIL | PO Box 8334, Woolloongabba QLD 4102 |
| PHONE | 1300 368 891 or 07 3163 8880 |
| FAX | 07 3163 2421 |
| EMAIL | information@mercysuper.com.au |
| WEB | mercysuper.com.au |

The information in this document may change from time to time. Changes that are not materially adverse may be updated on Mercy Super's website mercysuper.com.au. A copy of any updated information can be obtained on request free of charge at any time by contacting the Fund on **1300 368 891** or **07 3163 8880**.

