

# income protection cover

## This is a summary of HESTA's Income Protection (IP) Cover

Refer to *Insurance options* at [hesta.com.au/pds](https://hesta.com.au/pds) for more information.

## IP Cover can help you and your family get back on your feet, if you suffer an injury or illness that leaves you unable to work.

Default IP Cover through HESTA costs between \$0.08 to \$4.83 gross per unit per week depending on your age, based on the General occupation category. This cover provides benefits for up to five years after a 90 day waiting period. Cover ceases at age 67.

### Consider reviewing your IP Cover if...

- you've started a new job or received a promotion
- you have a mortgage or pay rent
- you have personal loans or other debts
- you're supporting others financially
- you're living independently
- you have just started a family, or
- your income has reduced and your cover exceeds 85% of your income.

### What is IP Cover?

IP Cover provides protection with a monthly benefit of up to 85% of your Pre-Disability Income if you can't work due to injury or illness, as long as you are eligible.

To claim, you must be unable to perform at least one major duty of your usual occupation. However, you may qualify for a partial benefit if you are able to work in a lesser capacity at the end of the waiting period subject to being Totally Disabled for at least 7 out of 12 consecutive days at the start of the waiting period. A different Total Disability definition applies after the first two years of benefit payments. Partial Disability benefits are not payable after the first two years.

Eligible members may be able to qualify for a lump-sum Permanent Incapacity Support Benefit of \$10,200 after a qualifying period. See *Insurance options* for full details at [hesta.com.au/pds](https://hesta.com.au/pds)

### IP payments can be reduced

If you have IP Cover and become eligible to receive a benefit, your claim payments cannot exceed the lesser of your sum insured and 85% of your pre-disability income and your payments may be reduced by other income or benefits you receive during the claim period.

For example, your IP benefits could be reduced if you are receiving workers compensation payments, other income support payments, income from a graduated return to work or the income component of any lump sum payment that is paid to you.

Refer to *Insurance options* at [hesta.com.au/pds](https://hesta.com.au/pds) for more information.



### Benefits of IP Cover

#### 1. HESTA Default Cover - a small price to pay for peace of mind.

Each unit of IP Cover provides a benefit of up to \$500 per month. HESTA members (excluding HESTA Personal Super) are provided with two units of IP Cover when eligible. These members can apply for Default Cover to commence earlier or wait for cover to start automatically when they are eligible, unless they opt out before Default Cover starts.

HESTA Personal Super members can choose to be covered for two units of IP Cover when joining without health evidence.

IP Cover insurance fees come straight out of your HESTA account, so you don't have to find extra money in your weekly budget.

#### 2. Extra cover when cover starts with minimal requirements.

When Default IP Cover starts for the first time, HESTA members can also apply for up to 10 additional units (for a total of up to 12 units) by completing a Short Personal Health Statement. This application must be made within 90 days from the date Default IP Cover first starts.

Provision of the up to 10 extra units is subject to Insurer approval.

#### 3. Continuous protection

IP Cover protects you for injury and illness 24/7, not just when you're at work. If you are unemployed for less than 90 days and suffer disability, you are able to claim an IP benefit.

If you are unemployed for more than 90 days and suffer disability, you are unable to claim an IP benefit.

#### 4. You're covered for an up to five year benefit payment period until cover expiry at age 67

Default IP Cover through HESTA can pay you a monthly benefit for up to 5 years whilst you remain medically certified unfit for work and continue to satisfy the policy.

#### 5. Cover for 85% of your Pre-Disability Income

As a HESTA member or a HESTA Personal Super member, you can insure yourself for up to 85% of your Pre-Disability Income. See *HESTA Insurance options* for full details at [hesta.com.au/pds](https://hesta.com.au/pds)

### Don't wait if you think insurance is right for you.



It's easier to get cover when you're fit and healthy. To check you have the level of cover you need today visit [hesta.com.au/calculators](https://hesta.com.au/calculators)

## Case study

Meet Rebecca, a 42-year-old married mother of two young children. Rebecca earns \$49,412 a year (including Superannuation Guarantee) before tax working part time as a nurse. Rebecca and her husband live in their family home and have a current mortgage of \$350,000.

After attending a workplace presentation on insurance, Rebecca is concerned she doesn't have enough insurance. She wants to make sure her family meet their mortgage payments if she was unable to work due to illness or injury.

As a HESTA member, Rebecca can access personal advice at no extra cost from one of our Superannuation Advisers. The recommendation we gave to Rebecca is shown here:

### Rebecca's current IP Cover through HESTA

2 units of IP Cover	\$1,000 a month, payable for up to 5 years after a 90-day waiting period	
	Rebecca's insurance fees	\$3.04 <sup>^</sup> per week

### IP Cover recommended\* by a HESTA Superannuation Adviser

7 units of IP Cover	\$3,500 a month, payable for up to 5 years after a 90-day waiting period	
	Rebecca's recommended insurance fees	\$10.64 <sup>^</sup> per week

\* This recommendation would be specific to Rebecca's circumstances and may not be appropriate in your circumstances. You may wish to discuss your needs with a HESTA Superannuation Adviser.

Make a time at [hesta.com.au/advice](https://hesta.com.au/advice) or call 1800 813 327.

<sup>^</sup> Insurance fee per week based on the General occupation scale.

## Circumstances that may impact your insurance cover

Your insurance cover will cease in the following circumstances:

- One month after your account balance does not cover your insurance fees;
- you close your account;
- your account becomes inactive because no contributions or roll ins are received into your account for a continuous period of 16 months, and you've not told us beforehand that you want to keep your insurance cover; or
- We are required to transfer your account to the Australian Taxation Office (ATO).

For more information, please visit [hesta.com.au/insurance](https://hesta.com.au/insurance)

## Next steps

### Seek more information

*Insurance options* provides important details about insurance through HESTA including full details of insurance cover and fees for each age. Also consider the explanation of the General and Office-based occupation categories so you can apply to pay lower insurance fees if you are eligible.

Download a copy at [hesta.com.au/pds](https://hesta.com.au/pds) or call 1800 813 327.

To find out more about insurance cover available to members visit [hesta.com.au/insure](https://hesta.com.au/insure)

To guide you on how much cover you may need visit [hesta.com.au/calculators](https://hesta.com.au/calculators) or [hesta.com.au/login](https://hesta.com.au/login)

### Seek advice

One of the benefits of being a member of HESTA is access to advice about your super at no extra cost.

If you need advice on how much insurance cover is right for you, speak to a HESTA Superannuation Adviser. Call 1800 813 327 to make an appointment.

### Not sure if you have cover?

To check if you already have IP Cover through HESTA, log in to your online account at [hesta.com.au/login](https://hesta.com.au/login) or call us on 1800 813 327.

### Apply now

You can apply online to take out or increase your cover at [hesta.com.au/login](https://hesta.com.au/login) (If you don't have a password to access your account online visit [hesta.com.au/register](https://hesta.com.au/register) or call us on 1800 813 327).

### Want to transfer existing cover?

If you are under the HESTA cover expiry age and want to transfer any existing insurance cover from another retail policy or super fund (including a SMSF, corporate fund or mastertrust), visit [hesta.com.au/forms](https://hesta.com.au/forms) for a copy of the *Insurance transfer* form.

## We quote the gross insurance fees.

Most members actually pay the net insurance fee, which is up to 15% less than the gross cost, because HESTA is able to claim a tax deduction for the cost of providing insurance, which we pass back to members.

## contact us

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