

# income protection cover

## Income Protection 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.

Standard Income Protection (IP) Cover through HESTA costs between \$0.27 - \$3.89 gross per unit per week depending on your age based on the standard occupational fee scale. 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
- you're supporting others financially
- you're living independently, or
- you have just started a family.

### 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)

### Don't wait!

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)

## Benefits of IP Cover

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

Each unit of Standard IP Cover pays a benefit of up to \$500 per month. HESTA members receive two units when they are aged 25 or over; and their account balance has been \$6,000 or more since joining. Refer to page 2 for circumstances when cover ceases. Cover is subject to eligibility, terms and conditions. Members can choose for Standard IP Cover to commence earlier. HESTA Personal Super members can apply for cover when they join and will receive two units.

- ✓ 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. 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 a Total and Temporary Disability benefit unless you have continuously held cover since before 1 July 2014.

If you have continuously held cover since before 1 July 2014 and suffer disability more than 90 days after ceasing work, you may be eligible to claim a disability benefit in these circumstances. Any benefits may need to be added to your HESTA account until a condition of release has been satisfied (e.g. Permanent Incapacity).

### 3. You're covered for a five year benefit payment period until cover expiry at age 67

- ✓ Standard IP Cover through HESTA can pay you a monthly benefit

### 4. 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 *Insurance options* for full details at [hesta.com.au/pds](https://hesta.com.au/pds)

## Case study

Consider 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
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### Rebecca's insurance fees

2 units of IP Cover	\$4.02 gross per week (\$3.42 est. net) <sup>^</sup>
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The recommendation we gave Rebecca is to increase her cover to 85% of her before-tax salary (including super). HESTA's IP Cover allows a benefit up to 85% of a persons before-tax salary (including super).

### 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
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### Rebecca's recommended insurance fees

7 units of IP Cover	\$14.07 gross per week (\$11.96 est. net) <sup>^</sup>
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\* 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/adviser](https://hesta.com.au/adviser) or call 1800 813 327.

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

## Circumstances that may impact your insurance cover

Your insurance cover will cease in the following circumstances:

- 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 ATO.

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

**You'll notice we quote both the gross and net insurance fees. This is because we are legally required to show the gross insurance fee.**

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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## Next steps



### Seek more information

*Insurance options* provides important details about insurance through HESTA including full details of the insurance fees applicable for each age for Standard Cover and an explanation of the management occupational fee scale if you believe you might be 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 might be needed 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 require 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, just visit your online account at [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 55 and want to transfer existing insurance cover from another existing insurance cover from another super fund, corporate fund or master trust, visit [hesta.com.au/forms](https://hesta.com.au/forms) for a copy of the *Insurance transfer* form.