

# management insurance cover

We've introduced a reduced insurance fee for those members who meet certain occupational criteria.

All members automatically receive cover at the standard occupational insurance fee scale.

If you're eligible, you may apply to change your standard cover to management cover to better reflect your circumstances.

## Do I qualify?

To receive management insurance cover you need to agree with all of the following statements:

- ✓ I work in a white collar occupation.
- ✓ I earn at least \$100,000 per annum (pro rata for part time) including Reportable Fringe Benefits but excluding any superannuation guarantee contributions.
- ✓ The duties of my occupation are limited to professional or managerial duties.
- ✓ I perform administrative type duties 80% or more of my time in an office based environment.
- ✓ I hold a degree which is necessary for performing my occupation, **or** I have 10 years' service in a senior management or executive role, **or** I am a member of a professional body or government institute which is necessary to perform my occupation.

### What do you define as a professional or government institute or body necessary for performing my occupation?

If you're not tertiary qualified, and have less than 10 years management experience, you may be eligible for management cover if you are a member of an industry body required for your occupation. Some examples include, but are not limited to:

- Australian Medical Association
- Early Childhood Australia - ECA
- Australian College of Health Services Management - ACHSM
- Chiropractors Association of Australia
- Allied Health Professions Australia - AHPA
- Australian Dental Association
- Australian Psychological Society
- Australian Podiatry Council
- Australian Physiotherapy Association
- Australian College of Nursing (ACN)
- Australian Association of Social Workers (AASW)

If your industry body isn't listed above, contact our insurer, AIA on 1800 043 782, as this is not an exhaustive list.

## How can I apply for management cover?

If you believe you meet the criteria, go to the *Insurance alteration* form at [hesta.com.au/forms](https://hesta.com.au/forms) to apply for cover at the management insurance fee scale.

The change in insurance fees will take effect from the date your application is approved and is subject to the same terms and conditions applying to standard or standard extra cover.

## What do I include when I am calculating my salary?

For the purpose of management cover, salary is the gross amount you are paid (i.e. before tax) including Reportable Fringe Benefits, if applicable, but excludes superannuation guarantee contributions from your employer.

## I work part time, am I still eligible?

Yes. The full time equivalent salary of \$100,000 per annum is pro rata for part time workers. For example, if you are working three days a week and earning \$63,000 per annum, this is equivalent to \$105,000 per annum on a full time basis which exceeds the limit.

## Are fringe benefits considered part of my salary?

Yes. We understand the unique employment arrangements that are in place to support our health and community services members, so if your total salary package including Reportable Fringe Benefits (excluding employer superannuation guarantee contributions) is more than \$100,000 per annum (gross), you may be eligible for management cover.

## I have more than one employer with a combined salary of \$100,000. Does that qualify?

If you work for two or more employers and your combined salary across all of your roles adds up to \$100,000 pro rata you may be eligible for cover.

You would also need to consider the type of duties that you are doing as a collective for all of your employers. As long as the type of work that you perform at each of your employers is 80% office based, administrative duties (e.g. writing up patient reports, completing paperwork, attending meetings and conferences) you may be eligible for cover. The further 20% of your duties can be non administrative (e.g. dressing patient wounds, taking x-rays or completing medical rounds).

## What is meant by professional or managerial duties?

You need to be working in an office based environment, completing administrative type duties for 80% or more of your time.

## **My time is split at work between administration tasks and providing support for those in my care. I also work offsite a lot. Do I meet the criteria of an office based environment?**

This depends on how often you perform these care duties. For example, if you are working as a physiotherapist and 50% of your time is spent treating patients and 50% working on administrative tasks you would not qualify.

Alternatively, if you are completing tasks that aren't administrative in nature for 20% of your time (e.g. dressing patient wounds, taking x-rays or completing medical rounds or working offsite doing assessments in homes for support requirements for aged people), but the other 80% of your time is spent writing up patient reports, completing paperwork, attending meetings and conferences, then you may be eligible for management cover.

## **I drive a motor vehicle for my role – am I eligible?**

This will depend on how often you drive. If you drive for less than 20% of the time you are working, and the rest of the time you are working in an office based environment (either at your usual office or offsite as noted above), you may be eligible for cover.

However, if you drive for more than 20% of the time you are working, regardless of whether you are working offsite or at your usual place of employment, you won't be eligible for cover.

## **I fly to conferences, and to attend interstate meetings as part of my work. This can be for more than 20% of my role. Am I eligible?**

Yes, regardless of how often you fly commercially for work to attend meetings or work events within offsite office locations it will not impact your eligibility for management cover.

Offsite office locations can include attending conferences, seminars or meetings in meeting rooms or office spaces.

## **Working out your salary package**

### **Case study 1: Sally is eligible**

Sally's annual salary is \$85,000 (excluding superannuation guarantee contributions). She salary packages \$15,900 for expenses and \$2,650 for Meal & Entertainment.

Sally's Taxable Salary is \$66,450  
(\$85,000 - \$15,900 - \$2,650).

For ATO purposes, the value of the amount Sally has salary packaged is Reportable Fringe Benefits and included on her PAYG payment summary as \$35,000  
({\$15,900 + \$2,650} X 1.8868).

This means Sally's total salary to determine if she is eligible for management cover is \$101,450  
(\$66,450 + \$35,000). Provided Sally meets the remaining criteria, Sally would be eligible to apply for management cover.

### **Case study 2: Lucy is not eligible**

Lucy works three days a week and her annual salary is \$48,000 (excluding superannuation guarantee contributions). Lucy's full-time equivalent salary is \$80,000. Lucy salary packages \$9,010 for expenses and \$2,650 for Meal & Entertainment. Lucy's full-time equivalent taxable salary is \$68,340  
(\$80,000 - \$9,010 - \$2,650).

For ATO purposes, the value of the amount Lucy has salary packaged is Reportable Fringe Benefits and included on her PAYG payment summary as \$22,000  
({\$9,010 + \$2,650} x 1.8868).

This means Lucy's total full time equivalent salary is \$90,340 (\$68,340 + \$22,000). As Lucy's total salary package on a full-time equivalent basis is under \$100,000 she would not be eligible to apply for management cover.

### **Case study 3: Helen may be eligible**

Helen works as an employee of a public hospital for two days of the week, and as a nurse manager for a further two days per week, for a total of four working days per week. As long as her combined salary across both employers is \$100,000 (pro rata), she may be eligible.

In addition to her combined salary, Helen would also need to ensure that she considers the type of work she performs at both of her employers. As long as the work she is performing collectively adds up to 80% within an office based, administrative environment, she may be eligible for cover.

## **Not sure if you have cover?**

To check how much insurance cover you have through HESTA, log in to Member Online at [hesta.com.au/mol](https://hesta.com.au/mol) or call us on **1800 813 327**.

## **contact us**

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