

Self Insurance Business Rules

6 July 2015

Note: To comply with legislative changes, the Trustee has taken out a group life insurance policy with OnePath Life Limited to insure the death and Total and Permanent Disablement cover provided to eligible members. This policy came into force from 2 March 2015. As a consequence, these Self Insurance Business Rules only apply to claims incurred prior to 2 March 2015.

ANZ Staff Superannuation (Australia) Pty Limited
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Trustee of the ANZ Australian Staff Superannuation Scheme
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Self Insurance Business Rules

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Current

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Self Insurance Business Rules

1. Preliminary

1.1 Purpose

The purpose of this document is to record the “business rules” (**Rules**) for the provision of death and total and permanent disablement benefits for Members of the ANZ Australian Staff Superannuation Scheme (**Scheme**).

Note: To comply with legislative changes, the Trustee has taken out a group life insurance policy with OnePath Life Limited to insure the death and Total and Permanent Disablement cover provided to eligible members. This policy came into force from 2 March 2015. As a consequence, these Self Insurance Business Rules only apply to claims incurred prior to 2 March 2015.

1.2 About these Rules

The Rules contained within this document reflect the relevant provisions of the Scheme’s trust deed (as at **19 August 2013**) (**Trust Deed**) and the policies and practices of the trustee of the Scheme, ANZ Staff Superannuation (Australia) Pty Limited (**Trustee**) and its delegates.

These Rules are subject to ongoing review and the written version of the Rules may be changed retrospectively in accordance with determinations made by the Trustee and its delegates. In the event of any conflict between these Rules and the Trust Deed, or between these Rules and the determinations of the Trustee and its delegates, the Trust Deed or the determinations, respectively, will prevail.

These Rules do not constitute an “insurance policy” but are made to clarify the terms under which the Trustee provides death and disablement benefits to Members of the Scheme.

1.3 Insurer – death and permanent disablement benefits

There is no insurer involved in the provision of the death and permanent disablement benefits provided under the Scheme. Accordingly, to the extent that these Rules refer to “insurance” and “cover”, the references are to the fact that death and disablement benefits are “self-insured” under the Scheme (where, for purposes of these Rules, “death and disablement benefits” does not include the amount already accumulated for the Member in an account under the Scheme).

1.4 Insurer – salary continuance benefit

The salary continuance benefit provided under the Scheme is externally insured. The entitlement of any Member to a salary continuance benefit is governed by the insurance policy. There is only a limited role for the Trustee to play in determining whether a Member has satisfied the requirements of the policy. (However, these issues are outside the scope of these Rules.)

1.5 **Definitions**

(a) Unless a word or expression is specifically defined in these Rules, capitalised words and expressions have the meaning given in the Trust Deed.

(b) In these Rules, the following expressions have the meanings set out below:

“Cover” means:

- (1) in respect of a Section A Member, Insurance Cover for an Insured Benefit;
- (2) in respect of a Section C Member, Insurance Cover for an Additional Benefit;
- (3) in respect of a Retained Benefit Member, cover for an Insured Benefit; and
- (4) in respect of a Spouse Contribution Member, cover for an Insured Benefit.

“Insurance Premium” means the portion of the cost of providing Cover to a Section C Member that is debited to the Member’s Employer’s Contribution Account, as described in rule 4.14(b) of these Rules.

2. General rules

2.1 Extent of Cover

Where Cover is provided, it is provided seven days a week, 24 hours a day, worldwide, whether or not the Member's illness, injury or death is work-related.

2.2 Conditions precedent to payment

A claim is not payable until:

- (a) approved by the Trustee; and
- (b) the Member has ceased employment with the Company.

2.3 No offsets

The amount of a Death Benefit or Total and Permanent Disablement Benefit payable under the Scheme will not be reduced by the Trustee because of payments from other sources outside the Scheme.

2.4 Effective date of changes to level of Cover

The date of effect of increases and decreases to the level of a Member's Cover is as follows:

- (a) increases: from the date of approval by the Trustee; and
- (b) decreases: from the date of receipt of the Member's application by the Trustee.

2.5 Members with no Cover

No Cover is provided for:

- (a) Transferred Pensioners or Transferred Beneficiaries under Part 3 of the Trust Deed;
- (b) Family Law Members under Part 4 of the Trust Deed; and
- (c) Account Based Pensioners under Part 6 of the Trust Deed.

3. Rules applying to Section A Members

This rule 3 of these Rules applies to Section A Members of the Scheme.

3.1 Type of insurance available

- (a) A Member's Cover applies for both death and Total and Permanent Disablement.
- (b) Cover for a Death Benefit only or for a Total and Permanent Disablement Benefit only is not available.

3.2 To whom Cover for an Insured Benefit is available

- (a) A Member who is employed by a Company (whether the employment is on a full-time or part-time basis) will be eligible for Cover under Section A.
- (b) A person who becomes a Member on and after 31 January 2003 and who has previously received a total and permanent disablement benefit (whether from the Scheme or any other superannuation fund) is not eligible for Cover.

3.3 Levels of Cover

- (a) Cover is available in 'Blocks' which are based on the Member's TEC or Superannuation Salary if the Member does not participate in TEC packaging.
- (b) The Cover provided by each Block is:
 - (i) up to age 56, one times TEC or Superannuation Salary (as applicable); or
 - (ii) from age 57, the amount reduces by 10% for each year by which the Member's age exceeds age 56.
- (c) The Insured Benefit is calculated as the number of Blocks multiplied by the amount of Cover provided per Block subject to a Maximum Insured Benefit of \$2 million.
- (d) For Section A Members as at 31 December 2005, their initial number of Blocks was determined by dividing their amount of Cover at 31 December 2005 under the previous arrangements by the amount of Cover which would be provided by one Block. If the resulting number of Blocks did not coincide with a half Block, the number of Blocks was rounded up to the next half Block.

Notes:

- 1. When payable, Cover proceeds are payable in addition to the total of the Member's account balances.

3.4 Extended Cover Death Benefit

- (a) If a Member dies within 30 days of ceasing Service an Extended Cover Death Benefit is payable, except where:
 - (1) the Member ceased Service as a result of Total and Permanent Disablement;
 - (2) the Member became a Retained Benefit Member before 1 January 2004 and died as a Retained Benefit Member with Cover in the Retained Benefit Account Section; or

- (3) the Member had no Cover on the date immediately before the date that the Member ceased Service.
- (b) A Member who becomes a Retained Benefit Member on and from 1 January 2004 will be covered for an Extended Cover Death Benefit under Section A for 30 days from ceasing Service (because, for such a Member, Cover in the Retained Benefit Account Section does not commence until cover for the Extended Cover Death Benefit in Section A ceases).

3.5 Initial level of Cover

- (a) A new Employee will have three Blocks of Cover by default without providing health evidence, subject to rules 3.7(b)(1) and 3.7(b)(3), with effect from the date of commencement of Section A Membership.
- (b) When a new Employee completes an Application for Membership form, the Employee may elect to have more or less than three Blocks of Cover.
- (c) If a new Employee elects more than three Blocks of Cover or the amount of Cover would exceed \$1 million, the Employee will have to provide satisfactory health evidence.
- (d) The election under rule 3.5(b) of these Rules will take effect:
 - (1) in the case of an increase in Blocks of Cover, from the date of approval by the Trustee; and
 - (2) in the case of an decrease in Blocks of Cover, from the date of receipt of the election by the Trustee.
- (e) At the time of electing to transfer from Section C to Section A, a transferring Member may select any number of Blocks from the options made available by the Trustee at that time.

3.6 Changing level of Cover

- (a) A Member may decrease his or her number of Blocks of Cover at any time.
- (b) A Member may apply to increase his or her number of Blocks of Cover at any time by completing a Section A "Application to change death and total and permanent disablement benefit cover" form which includes a "personal statement". However, the personal statement does not need to be completed where:
 - (1) the increase is by half a Block only; and
 - (2) the Member applies in June of any year or in the event of certain "life events"; and
 - (3) the increase would not result in the amount of Cover exceeding \$1,000,000.

The "life events" for which this option is available are:

- (1) the birth or adoption of a child; and
- (2) taking out a mortgage to buy a home (i.e. a member's principal place of residence") or increasing a mortgage by \$100,000 or more to extend or renovate your principal place of residence.

Members must provide evidence of the life event (as detailed on the application form) within 60 days of the life event to be eligible for an increase in cover.

Members are limited to one increase in cover on life events in any 12 month period.

- (c) The application for an increase in Blocks of Cover under rule 3.6(b) of these Rules will take effect from the date of approval by the Trustee.

3.7 **Health evidence**

- (a) A personal statement must be completed by a Member in the circumstances noted in rule 3.6(b) of these Rules.
- (b) Health evidence is also required to be provided when:
 - (1) the Employee is absent from work due to illness or injury when first eligible to join the Scheme;
 - (2) the Member is absent from work due to illness or injury when an increase in Cover of one level is due to become effective;
 - (3) the amount of the Member's cover exceeds \$1,000,000 (the Scheme Administrator will check this four times per annum); or
 - (4) where a Member ceased to have Cover in accordance with rule 3.16 of these Rules, the Member applies to reinstate their Cover having elected to recommence contributions to the Scheme under Choice of Fund.

See also rule 3.10(b)(4) and rule 3.11(a)(5) for instances where a health statement is required on return from leave. These are just specific statements of the general rule in 3.6(b).

- (c) Where health evidence is provided in accordance with rules 3.6(b) or 3.7(b) applications will be assessed based on the information provided in the Member's personal statement. Additional information may be requested.
- (d) The health evidence provided by the Member is initially assessed by the Scheme Administrator. If there are no adverse disclosures or the disclosures fall within the list of allowable conditions, the Scheme Administrator may approve the application. If there are any adverse disclosures made in the health evidence which do not fall within the list of allowable conditions, the Scheme Administrator refers the application to the specialist underwriter for advice as to whether the application should be approved or declined.
- (e) Cover is provided on an accept/decline basis. No loadings apply. Exclusions may be applied where recommended by the specialist underwriter.

3.8 **Notification to Members**

A Member will be notified within 3 days of the decision being made:

- (a) whether the Member is successful in applying to increase the Member's level of Cover;
- (b) if no Insured Benefit applies as a result of health evidence provided to the Trustee; or

- (c) if the Member's Cover will be capped at \$1,000,000 as a result of the provision of health evidence required under rule 3.7(b)(3).

3.9 **When a Member will have no Cover**

In addition to the circumstance covered in rule 3.2(b) of these Rules, no Insured Benefit applies if the Member:

- (a) has elected to have no Insured Benefit;
- (b) is on Short Term Leave and Cover has ceased to be maintained (refer to rule 3.10 of these Rules);
- (c) is on a Career Break during which Cover does not apply or has ceased to be maintained (refer to rule 3.11 of these Rules); or
- (d) is required to provide health evidence, and the information reveals that the Member currently presents an unacceptable risk of a potential claim.

3.10 **Members on Short Term Leave**

- (a) Where Short Term Leave commences on or after 1 December 2011, Cover is maintained (and the Insurance Charge continues to be deducted) for up to two years for a Member who is on Short Term Leave at the same level as that which applied immediately before the period of Short Term Leave commenced (irrespective of whether the Member elects to continue making voluntary contributions during the period of leave), subject to the following conditions:
 - (1) if the duration of the Member's Short Term Leave (including the duration of any Career Break taken immediately prior to commencing Short Term Leave) is more than 2 years, no Cover is maintained for the Member after 2 years of being on unpaid leave;
 - (2) while on Short Term Leave, the Member may not increase his or her level of Cover;
 - (3) while on Short Term Leave, the Member may elect to decrease his or her level of Cover, in which case the Member will retain this decreased level of Cover on his or her return to active Service;
 - (4) when a Member returns to active Service after a period of Short Term Leave during which the Member requests a decrease in Cover or his or her Cover ceases to be maintained, he or she may apply to increase Cover in accordance with rule 3.6(b); and
 - (5) if the balance in the Member's SGC Contribution Account or Additional Employer Contribution Account is insufficient to cover the Insurance Charge:
 - (A) Cover will cease; and
 - (B) when the Member returns to active Service, the Member may apply to have Cover reinstated in accordance with rule 3.6(b).
- (b) Where Short Term Leave commenced prior to 1 December 2011, Cover is maintained (and the Insurance Charge continues to be deducted) for a Member who is on Short Term Leave at the same level as that which applied on the day

immediately before the period of Short Term Leave commenced (irrespective of whether the Member elects to continue making voluntary contributions during the period of leave), subject to the following conditions:

- (1) while on Short Term Leave, the Member may not increase his or her level of Cover;
- (2) while on Short Term Leave, the Member may elect to decrease his or her level of Cover, in which case the Member will retain this decreased level of Cover on his or her return to active Service;
- (3) when a Member returns to active Service after a period of Short Term Leave during which the Member requests a decrease in Cover, he or she may apply to increase Cover in accordance with rule 3.6(b); and
- (4) if the balance in the Member's SGC Contribution Account or Additional Employer Contribution Account is insufficient to cover the Insurance Charge:
 - (A) Cover will cease; and
 - (B) when the Member returns to active Service, the Member may apply to have Cover reinstated in accordance with rule 3.6(b).

3.11 Members on a Career Break

- (a) Where a Career Break commences on or after 31 July 2006, Cover is maintained (and the Insurance Charge continues to be deducted) for a Member who is on a Career Break at the same level as applied on the day immediately before the Career Break commenced (irrespective of whether the Member elects to continue making voluntary contributions during the Career Break), subject to the following conditions:
 - (1) if the Member's Career Break is of an Agreed Duration of more than 2 years, no Cover is maintained for the Member after two years including the duration of the Member's Short Term Leave if the Member has taken Short Term Leave and then commences a Career Break without returning to active Service;
 - (2) if a Member is on a Career Break with an Agreed Duration of 2 years or less, and the Career Break is extended beyond the Agreed Duration, Cover will only be maintained for the lesser of:
 - (A) the extended length of the Member's Career Break; or
 - (B) a total period of 2 years

where the extended length of the Member's Career Break includes the duration of the Member's Short Term Leave if the Member has taken Short Term Leave and then commences a Career Break without returning to active Service;
 - (3) while a Member is on a Career Break during which Cover is maintained, the Member may not increase his or her level of Cover;
 - (4) while a Member is on a Career Break during which Cover is maintained, the Member may elect to decrease his or her level of Cover, in which case

the Member will retain this decreased level of Cover on his or her return to active Service (as long as the Career Break [including the duration of any Short Term Leave taken immediately prior to commencing the Career Break] does not exceed 2 years);

- (5) when a Member returns to active Service after a Career Break during which:
 - (A) the Member requested a decrease in Cover; or
 - (B) Cover did not apply or ceased to be maintained,
 he or she may apply to increase his or her level of Cover in accordance with rule 3.6(b); and
 - (6) if the balance in the Member's SGC Contribution Account or Additional Employer Contribution Account is insufficient to cover the Insurance Charge, Cover will cease to be maintained.
- (b) Where a Career Break commenced prior to 31 July 2006:
- (1) no Cover applies; and
 - (2) when a Member returns to active Service after a Career Break, the Member may apply for insured cover in accordance with rule 3.6(b).

3.12 **Members moving to part-time work or reducing their hours of part-time work**

- (a) Where a Member moves to part-time employment (eg. Part-time Work – Child Care or Part-time Work – Career Extension) or reduces their hours of part-time work, the Member may opt to retain the same dollar value of Cover as applied immediately prior to reducing their hours provided that:
 - (1) the Member is actively at work or on parental leave immediately prior to reducing their hours of employment; and
 - (2) the option is available for a maximum of five years or the insurance cessation date under rule 3.13, whichever is the earlier.

3.13 **Cessation of Cover**

Apart from when no Cover applies, Cover ceases:

- (a) when the Member attains the age of 66;
- (b) in the case of Cover for a Total and Permanent Disablement Benefit, when the Member ceases Service with a Company;
- (c) in the case of cover for a Death Benefit, 30 days after the Member ceases Service with a Company before age 66 (subject to rule 3.4 of these Rules); or
- (d) where rule 3.16 applies in relation to the Member.

3.14 **Suicide**

A Member's Cover is not affected by the suicide of the Member.

3.15 **Cost of Cover**

- (a) The Trustee must seek actuarial advice on the cost of providing Cover to Members.

- (b) Unless no Cover applies to the Member, the Trustee will deduct the Insurance Charge from the Member's SGC Contribution Account or the Additional Employer Contribution Account.
- (c) The Insurance Charge is deducted annually in arrears in December of each year.
- (d) Changes to age throughout the year will only affect the following year's Insurance Charge; changes to Salary affect the current year's Insurance Charge.
- (e) Upon cessation of Service or on exit from Section A, any outstanding Insurance Charge is deducted from the Member's SGC Contribution Account or Additional Employer Contribution Account on a pro-rata basis.

3.16 **Choice of Fund**

From 1 July 2005, Section A Members who elect to have contributions paid to another superannuation fund in accordance with the 'Choice of Fund' provisions of the Superannuation Guarantee (Administration) Act 1992 and/or apply for all or part of their existing balance to be transferred to another superannuation fund during their employment with the Company will not be eligible for Cover.

Cover will cease 30 days after the earlier of the Company ceases to contribute to the Scheme in respect of the Section A Member (i.e. on the last day of the pay period of the final contributions to the Scheme) or all or part of the Section A Member's existing balance is transferred to another superannuation fund during his/her employment with the Company. Cover will be maintained for that 30 day period only to the extent that sufficient moneys remain in the Member's relevant account.

Such Members will not be eligible for the Extended Cover Death Benefit.

4. Rules applying to Section C Members

This rule 4 of these Rules applies to Section C Members of the Scheme.

4.1 Type of insurance available

- (a) A Member's Cover applies for both death and Total and Permanent Disablement.
- (b) Cover for a Death Benefit only or a Total and Permanent Disablement Benefit only is not available.

4.2 To whom cover is available

A Member who is employed by a Company (whether the employment is on a full-time or part-time basis) will be eligible for Cover under Section C.

4.3 Levels of Cover

- (a) There are two levels of Cover available:
 - (1) Multi-Level Cover; and
 - (2) No Cover.
- (b) The cover provided by Multi-Level Cover is the greater of:
 - (1) 15% x Salary x Future Service; and
 - (2) 3.5 x Salary – accumulation account balances.

Notes:

1. "Future Service" means the years of Service from the date of the Member's death or Total and Permanent Disablement until the Member reaches age 60, where completed months are taken into account as a proportion of a full year, subject to a maximum of 30.
2. Extended Cover Death Benefit – Where a Member dies within 30 days of ceasing Service and still has Cover (see rule 4.4 of these Rules), the starting point for "Future Service" is the date the Member ceases Service, not the date of death.
3. When payable, Cover proceeds are payable in addition to the total of the Member's account balances.

4.4 Extended Cover Death Benefit

- (a) If a Member dies within 30 days of ceasing Service an Extended Cover Death Benefit is payable, except where:
 - (1) the Member ceased Service as a result of Total and Permanent Disablement;
 - (2) the Member became a Retained Benefit Member before 1 January 2004 and died as a Retained Benefit Member with Cover in the Retained Benefit Account Section; or
 - (3) No Cover applied to the Member on the date immediately before the date that the Member ceased Service.

- (b) A Member who becomes a Retained Benefit Member on and from 1 January 2004 will be covered for an Extended Cover Death Benefit under Section C for 30 days from ceasing Service (because, for such a Member, Cover in the Retained Benefit Account Section does not commence until cover for the Extended Cover Death Benefit in Section C ceases).

4.5 Initial level of Cover

- (a) An Employee who commenced Membership of Section C before 1 June 1991 was automatically entitled to Multi-Level Cover.
- (b) Any other Member of Section C was required to provide health evidence and, on the basis of the evidence provided, the Trustee could grant the Member Multi-Level Cover or refuse Cover.

4.6 Changing level of Cover

- (a) A Member may decrease his or her level of Cover from Multi-Level Cover to No Cover at any time.
- (b) A Member who has No Cover may increase his or her level of Cover to Multi-Level Cover at any time by completing a Section C "Application to change death and total and permanent disablement benefit cover" form which includes a "personal statement".
- (c) The application to increase his or her level of Cover to Multi-Level Cover under rule 4.6(b) of these Rules will take effect from the date of approval by the Trustee.

4.7 Health evidence

- (a) Health evidence must be provided by a Member in the circumstances noted in rule 4.5(b) and rule 4.6(b) of these Rules.
- (b) The Trustee will also require a Member to provide health evidence when the Member is absent from work due to illness or injury when an increase from No Cover to Multi-Level Cover is due to become effective.
- (c) See also rule 4.10(b)(3) and rule 4.11(a)(4) for instances where health evidence is required on return from leave. These are just specific statements of the general rule in 4.6(b).
- (d) Where health evidence is provided in accordance with rules 3.6(b) or 3.7(b), applications will be assessed based on the information provided in the Member's personal statement. Additional information may be requested.
- (e) The health evidence provided by the Member is initially assessed by the Scheme Administrator. If there are no adverse disclosures, the Scheme Administrator may approve the application. If there are any issues disclosed in the health evidence, the Scheme Administrator refers the application to the specialist underwriter for advice as to whether the application should be approved or declined.
- (f) Cover is provided on an accept/decline basis. No loadings apply. Exclusions may be applied where recommended by the specialist underwriter.

4.8 **Notification to members**

A Member will be notified within 3 days of the decision being made:

- (a) whether the Member is successful in applying to increase the Member's level of Cover; or
- (b) if No Cover applies as a result of health evidence provided to the Trustee.

4.9 **When No Cover applies**

No Cover applies if the Member:

- (a) has elected to have No Cover;
- (b) is on Short Term Leave and Cover has ceased to be maintained (refer to rule 4.10 of these Rules);
- (c) is on a Career Break to which Cover does not apply or during which Cover has ceased to be maintained (refer to rule 4.11 of these Rules); or
- (d) is required to provide health evidence, and the information reveals that the Member presents an unacceptable risk of a potential claim.

4.10 **Members on Short Term Leave**

- (a) Where Short Term Leave commences on or after 1 December 2011, if Multi-Level Cover applied to a Member immediately before the Member commenced a period of Short Term Leave, that level of Cover is maintained for up to two years for a Member who is on Short Term Leave (irrespective of whether the Member elects to continue making voluntary contributions during the period of leave), subject to the following conditions:
 - (1) if the duration of the Member's Short Term Leave (including the duration of any Career Break taken immediately prior to commencing Short Term Leave) is more than 2 years, no Cover is maintained for the member after 2 years;
 - (2) Insurance Premiums will continue to be deducted from the Member's Employer's Contribution Account and, if the account balance is insufficient to cover the Insurance Premiums, Cover will still continue;
 - (3) while on Short Term Leave, the Member may elect to decrease his or her level of Cover, in which case the Member will retain this decreased level of Cover on his or her return to active Service; and
 - (4) when a Member returns to active Service after a period of Short Term Leave during which the Member applied to reduce the level of insurance cover or his or her Cover ceased to be maintained, the Member may apply for Multi-Level Cover and will then be required to provide health evidence to the Trustee in accordance with rule 4.6(b).

- (b) Where Short Term Leave commenced prior to 1 December 2011, if Multi-Level Cover applied to a Member immediately before the Member commenced a period of Short Term Leave, that level of Cover will be maintained during the period of Short Term Leave (irrespective of whether the Member elects to continue making voluntary contributions during the period of leave), subject to the following conditions:
- (1) while on Short Term Leave, the Member may decrease his or her level of Cover, in which case the Member will retain this decreased level of Cover on his or her return to active Service;
 - (2) Insurance Premiums will continue to be deducted from the Member's Employer's Contribution Account and, if the account balance is insufficient to cover the Insurance Premiums, Cover will still continue; and
 - (3) when a Member returns to active Service after a period of Short Term Leave during which the Member applied to reduce the level of insurance cover, the Member may apply for Multi-Level Cover and will then be required to provide health evidence to the Trustee in accordance with rule 4.6(b).

4.11 **Members on a Career Break**

- (a) Where a Career Break commences on or after 31 July 2006, if Multi-Level Cover applied to a Member immediately before the Member commenced a Career Break, that level of Cover will be maintained during the Career Break (irrespective of whether the Member elects to continue making voluntary contributions during the Career Break), subject to the following conditions:
- (1) if the Member's Career Break is of an Agreed Duration of more than 2 years, No Cover applies after two years of being on unpaid leave including the duration of the Member's Short Term Leave if the Member has taken Short Term Leave and then commences a Career Break without returning to active Service;
 - (2) if a Member is on a Career Break with an Agreed Duration of 2 years or less, and the Career Break is extended beyond the Agreed Duration, Multi-Level Cover will only be maintained for the lesser of:
 - (A) the extended length of the Member's Career Break; or
 - (B) a total period of 2 years,
 where the extended length of the Member's Career Break includes the duration of the Member's Short Term Leave if the Member has taken Short Term Leave and then commences a Career Break without returning to active Service;
 - (3) while a Member is on a Career Break during which Multi-Level Cover is maintained, the Member may elect in writing to have No Cover, in which case the Member will have No Cover on his or her return to active Service;

- (4) when a Member returns to active Service after a Career Break during which Multi-Level Cover did not apply or ceased to be maintained, the Member may apply for Multi-Level Cover and will then be required to provide health evidence to the Trustee in accordance with rule 4.6(b); and
 - (5) Cover will only be maintained as long as sufficient moneys remain in the Member's Employer's Contribution Account or Member's Contribution Account to pay the Insurance Premiums.
- (b) Where a Career Break commenced prior to 31 July 2006:
- (1) no Cover applies; and
 - (2) when a Member returns to active Service after a Career Break, the Member may apply for insured cover in accordance with rule 4.6(b).

4.12 Cessation of Cover

Apart from when No Cover applies, Cover ceases:

- (a) when the Member attains the age of 60;
- (b) in the case of cover for a Total and Permanent Disablement Benefit, when the Member ceases Service with a Company;
- (c) in the case of Cover for a Death Benefit, 30 days after the Member ceases Service with a Company before age 60 (subject to rule 4.4 of these Rules); or
- (d) where rule 4.15 applies in relation to the Member.

4.13 Suicide

A Member's Cover is not affected by the suicide of the Member.

4.14 Insurance Premiums

- (a) The Trustee must seek actuarial advice on the cost of providing Cover to Members.
- (b) From 1 January 2000, the Member is liable for 80% of the cost of the Cover which will be deducted from the Member's Employer's Contribution Account.
- (c) The Insurance Premium is deducted annually in arrears in December of each year.
- (d) Changes to age throughout the year will only affect the following year's Insurance Premium; changes to Salary affect the current year's Insurance Premium.
- (e) Upon cessation of Service or on exit from Section C, any outstanding Insurance Premiums are deducted from the Member's account on a pro-rata basis.

4.15 Choice of Fund

From 1 July 2005, Section C Members who elect to have contributions paid to another superannuation fund in accordance with the 'Choice of Fund' provisions in the Superannuation Guarantee (Administration) Act 1992 and/or apply for all or part of their existing balance to be transferred to another superannuation fund during their employment with the Company will no longer be eligible for Cover.

Cover will cease 30 days after the earlier of the Company ceases to contribute to the Scheme in respect of the Section C Member (i.e. on the last day of the pay period of the final contributions to the Scheme) or all or part of the Section C Member's existing balance is transferred to another superannuation fund during his/her employment with the Company. Cover will be maintained for that 30 day period only to the extent that sufficient moneys remain in the Member's relevant account.

Such Members will not be eligible for the Extended Cover Death Benefit.

5. Rules applying to Retained Benefit Members

This rule 5 of these Rules applies to Retained Benefit Members of the Scheme.

5.1 Types of Cover available

- (a) Cover is available for a Death Benefit or for both a Death and Total and Permanent Disablement Benefit.
- (b) Cover for a Total and Permanent Disablement Benefit only is not available.

5.2 To whom Cover is available

Cover is available to each Retained Benefit Member except a Retained Benefit Member who:

- (a) is a former Member of the Spouse Contribution Account Section who had no Cover in that Section;
- (b) is a Former Section A Member or a Former Section C Member and had no Cover in that previous section or whose Cover had ceased in accordance with rule 3.16 or 4.15;
- (c) prior to 1 January 2004 became a member of the Retained Benefit Account Section because he or she did not provide any payment instructions on ceasing Membership of one of the other sections;
- (d) has received, or is due to receive, a Total and Permanent Disablement Benefit under Section A or Section C (this restriction is contained within the Trust Deed); or
- (e) was a Former Section A Member or a Former Section C Member who was a Retained Benefit Member when Cover was first offered in the Retained Benefit Account Section on 1 July 2002 and had not elected to have Cover by 28 June 2002.

See also rule 5.8.

5.3 Levels of death Cover

- (a) **Former Section A Members who left the Company on or after 1 January 2006**
 - (1) Death Cover is available in 'Blocks' which are based on the Member's Exit Salary.
 - (2) The cover provided by each Block is:
 - (i) up to age 56, one times Exit Salary; or
 - (ii) from age 57, the amount reduces by 10% for each year by which the Member's age exceeds age 56.
 - (3) The Insured Benefit for Death Benefits is calculated as the number of Blocks multiplied by the amount of cover provided per Block subject to a Maximum Insured Benefit of \$2 million.

(b) **Former Section A Members who left the Company prior to 1 January 2006 and Former Section C Members**

(1) For Former Section A Members who left the Company prior to 1 January 2006 and Former Section C Members, there are up to five levels of death Cover available:

- (A) Premium Cover;
- (B) Full Cover;
- (C) Double Basic Cover;
- (D) Basic Cover; and
- (E) No Insured Benefit.

(2) The death Cover provided under these levels is as follows:

Level of cover	Benefit payable
Premium Cover	30% x Exit Salary x Years to age 60 To a maximum of: 7 x Exit Salary
Full Cover	15% x Exit Salary x Years to age 60
Double Basic Cover	12% x Exit Salary x Years to age 60
Basic Cover	6% x Exit Salary x Years to age 60
No Insured Benefit	No additional benefit payable

(c) **Former Spouse Contribution Members**

- (1) Death Cover is available in \$50,000 “Blocks”.
- (2) The Insured Benefit for Death Benefits is calculated as the number of Blocks multiplied by \$50,000 subject to a Maximum Insured Benefit of 7 Blocks or \$350,000.

Note:

When payable, death Cover proceeds are payable in addition to the Member’s Retained Benefit Account balance.

5.4 Initial level of death Cover

(a) A Member who commenced Membership of the Retained Benefit Account Section:

- (1) before 1 July 2002 had an opportunity to elect to have death Cover by 28 June 2002; and
- (2) on or after 1 July 2002 but before 1 January 2004 had to elect to have death Cover upon joining the Retained Benefit Account Section.

(b) The following conditions applied to the level of Cover Members could apply for under rule 5.4(a):

- (1) Former Section A Members: the maximum level of death Cover available was the level that the Member had at the time of the transfer from Section A; and
 - (2) Former Section C Members:
 - (A) if the Member had Multi-Level Cover at the time of the transfer from Section C, he or she could have chosen any level of death Cover except Premium Cover in the Retained Benefit Account Section; and
 - (B) if the Member had No Cover at the time of the transfer from Section C, he or she could only have no Insured Benefit in the Retained Benefit Account Section.
- (c) A Member commencing Membership of the Retained Benefit Account Section on or after 1 January 2004 who was formerly a Section A or Section C member will automatically have the following level of death Cover, which will commence 30 days after the Member becomes a Retained Benefit Account Member (refer to rule 3.4(b) and rule 4.4(b)):
- (1) Former Section A Members: the same level as the Member had at the time of transfer from Section A; and
 - (2) Former Section C Members: the closest equivalent level, being -
 - (A) if the Member had Multi-Level Cover at the time of the transfer from Section C, he or she will have Full Cover in the Retained Benefit Account Section; and
 - (B) if the Member had No Cover at the time of the transfer from Section C, he or she will have no Insured Benefit in the Retained Benefit Account Section.
- (d) A Member commencing Membership of the Retained Benefit Account Section on or after 1 October 2008 who was formerly a Member of the Spouse Contribution Account Section will automatically have the same level of death Cover the Member had at the time of transfer from the Spouse Contribution Account Section.

5.5 **Minimum death Cover**

From 1 January 2014, if:

- (a) a Member is classified as a MySuper member; and
- (b) the Member has death Cover in the Retained Benefit Account Section; and
- (c) the member has contributions credited to his or her account in the Retained Benefit Account Section

the Member's death Cover will be subject to a minimum as set out in the table below.

Age range	Minimum death Cover
20 to 34 years	\$50,000
35 to 39 years	\$35,000
40 to 44 years	\$20,000
45 to 49 years	\$14,000
50 to 55 years	\$7,000

A Member's minimum death Cover will change when he or she moves into the next age band.

5.6 **Changing level of death Cover**

- (a) A Member may decrease his or her level of death Cover, but may not increase it.
- (b) A Member may elect to decrease his or her level of death Cover at any time by notice in writing to the Trustee.

5.7 **Health evidence**

A Member does not need to provide any health evidence if the Member is eligible for Cover and, in accordance with rule 5.4, either:

- (a) elects to have Cover upon commencing Membership of the Retained Benefit Account Section prior to 1 January 2004; or
- (b) is automatically granted Cover upon commencing Membership of the Retained Benefit Account Section on or after 1 January 2004.

5.8 **When no Insured Benefit applies**

In addition to the circumstances noted in rule 5.2 of these Rules, no Insured Benefit applies if the Member:

- (a) has, on joining the Retained Benefit Account Section prior to 1 January 2004, not elected to have any death Cover; or
- (b) elects to decrease his or her level of death Cover to have no Insured Benefit.

5.9 **Total and Permanent Disablement Cover**

From 1 January 2014, when a Member has transferred to the Retained Benefit Account Section after leaving employment with ANZ or on closing his or her account in the Spouse Contribution Account Section, the Member will be provided with age-based Total and Permanent Disablement Cover, subject to the following conditions:

- (a) the Member must have death Cover in the Retained Benefit Account Section;
- (b) the Member must have had contributions paid to his or her account in the last twelve months and the Member continues to make contributions to the Retained Benefit Account Section at least on an annual basis i.e. the Member must make a contribution no later than twelve months after his or her previous contribution. The Member's Total and Permanent Disablement Cover will lapse on the date twelve months after the Member's last contribution is made.

The age-based TPD cover is set out in the table below:

Age range	Age-based Total and Permanent Disablement Cover
20 to 34 years	\$50,000
35 to 39 years	\$35,000
40 to 44 years	\$20,000
45 to 49 years	\$14,000
50 to 55 years	\$7,000

A Member's Total and Permanent Disablement Cover will change when he or she moves into the next age band.

A Member's Total and Permanent Disablement Cover cannot exceed the amount of his or her death Cover.

A Member can elect to cancel his or her Total and Permanent Disablement Cover at any time by notice in writing to the Trustee. If a Member cancels his or her Total and Permanent Disablement Cover, the cancellation will be effective from the date his or her application is processed and the Member will not be able to subsequently re-apply for Total and Permanent Disablement Cover.

Payment of a Member's Total and Permanent Disablement Cover is subject to legislation and the Trustee determining that the Member meets the definition of "Total and Permanent Disablement" below, that is:

- (a) for Members working more than 15 hours per week – the Member has ceased employment as a result of injury or illness and the Member is incapacitated to such an extent that he or she is unlikely ever to be able to resume work or to attend to any gainful profession or occupation for which he or she is reasonably qualified by education, training or experience.
- (b) for Members working less than 15 hours per week – the Member has suffered an illness or injury that means he or she is irreversibly unable to perform at least two activities of daily living (such as eating/drinking, dressing, toileting, bathing/showering, mobility) unassisted by another adult person or suitable aids.

In the event of a claim, the Trustee will determine which definition applies to the Member on the basis of his or her employment status at that time.

No Total and Permanent Disablement Benefit will be payable if a Member's claim arises directly or indirectly, partially or wholly as a result of:

- (a) a condition which existed at the time the Member's Total and Permanent Disablement Cover in the Retained Benefit Account Section commenced;
- (b) a self-inflicted act; or
- (c) an act of war.

5.10 Cessation of Cover

Apart from when no Insured Benefit applies, death Cover (and any Total and Permanent Disablement Cover) ceases when:

- (a) the Member withdraws the entire balance in his or her Retained Benefit Account from the Scheme;
- (b) the Member transfers the entire balance of his or her Retained Benefit Account to another section of the Scheme;
- (c) the Member is required to close his or her Retained Benefit Account because the balance has fallen below the minimum allowed;
- (d) the Member becomes employed by a Company after becoming a Retained Benefit Member and as a result of that employment becomes a Section A Member;
- (e) the Member attains:
 - (1) the age of 60 if the Member is a Former Section A Member who left the Company prior to 1 January 2006 or a Former Section C Member; or
 - (2) the age of 66 if the Member is a Former Section A Member who left the Company on or after 1 January 2006; or
 - (3) the age of 66 if the Member is a former Spouse Contribution Account Member; and
- (f) the Member successfully claims a Total and Permanent Disablement Benefit from the Scheme.

A Member's Total and Permanent Disablement Cover also ceases:

- (a) if no contributions have been received for twelve months; or
 - (b) at age 56; or
 - (c) if the Member ceases to be a resident in Australia for a period of more than three months; or
 - (d) if the Member commences active service (including being the subject of a call out notice) with the armed forces of any country; or
 - (e) if you advise in writing that you wish to discontinue your cover;
- whichever occurs first.

5.11 Suicide

A Member's death Cover is not affected by the suicide of the Member.

5.12 Cost of Cover

- (a) The Trustee must seek actuarial advice on the cost of providing Cover to Members.
- (b) Unless no Insured Benefit applies to the Member, the Trustee will deduct the Insurance Charge from the Member's Retained Benefit Account.

- (c) The Insurance Charge is deducted annually in arrears in December of each year.
- (d) Changes to age throughout the year will only affect the following year's Insurance Charge.
- (e) Upon cessation of Membership, any outstanding Insurance Charge is deducted from the Member's Retained Benefit Account on a pro-rata basis.

6. Rules applying to Spouse Contribution Members

This rule 6 of these Rules applies to Spouse Contribution Members of the Scheme.

6.1 Types of Cover available

- (a) Cover is available for a Death Benefit or for both a Death and Total and Permanent Disablement Benefit.
- (b) Cover for a Total and Permanent Disablement Benefit only is not available.

6.2 To whom death Cover is available

Members can apply for death Cover only.

6.3 Levels of death Cover

- (a) Death Cover is available in \$50,000 "Blocks".
- (b) The Insured Benefit for Death Benefits is calculated as the number of Blocks multiplied by \$50,000 subject to a Maximum Insured Benefit of 7 Blocks or \$350,000.

6.4 Initial level of death Cover

Members are required to provide health evidence before any death Cover is granted.

6.5 Minimum death Cover

From 1 January 2014, if:

- (a) a Member is classified as a MySuper member; and
- (b) the member has contributions credited to his or her account in the Spouse Contribution Account Section

the Member's death Cover will be subject to a minimum as set out in the table below.

Age range	Minimum death Cover
20 to 34 years	\$50,000
35 to 39 years	\$35,000
40 to 44 years	\$20,000
45 to 49 years	\$14,000
50 to 55 years	\$7,000

A Member's minimum death Cover will change when he or she moves into the next age band.

6.6 Changing level of Cover

- (a) A Member may decrease his or her number of Blocks of death Cover at any time.
- (b) A Member may apply to increase his or her number of Blocks of death Cover at any time by completing an "Application for or to change SCA death insurance cover" form which includes a personal statement.

- (c) The application for an increase in Blocks of death Cover under rule 6.6(b) of these Rules will take effect from the date of approval by the Trustee.

6.7 Health evidence

- (a) A personal statement must be completed by a Member in the circumstances noted in rules 6.4 and 6.6(b).
- (b) Where health evidence is provided in accordance with rules 6.4 and 6.6(b) applications will be assessed based on the information provided in the Member's personal statement. Additional information may be requested.
- (c) The health evidence provided by the Member is initially assessed by the Scheme Administrator. If there are no adverse disclosures, the Scheme Administrator may approve the application. If there are any issues disclosed in the health evidence, the Scheme Administrator refers the application to the specialist underwriter for advice as to whether the application should be approved or declined.
- (d) Cover is provided on an accept/decline basis. No loadings apply. Exclusions may be applied where recommended by the specialist underwriter.

6.8 Notification to Members

A Member will be notified within 3 days of the decision being made:

- (a) whether the Member is successful in applying to increase the Member's number of Blocks of death Cover; or
- (b) if no Insured Benefit applies as a result of health evidence provided to the Trustee.

6.9 When no Insured Benefit applies

No Insured Benefit applies if the Member:

- (a) has not been granted any death Cover; or
- (b) elects to decrease his or her level of death Cover to have no Insured Benefit.

6.10 Total and Permanent Disablement Cover

From 1 January 2014, a Member will be provided with age-based Total and Permanent Disablement Cover, subject to the following conditions:

- (a) the Member must have death Cover in the Spouse Contribution Account Section;
- (b) the Member must have had contributions paid to his or her account in the last twelve months and the Member continues to make contributions to the Spouse Contribution Account Section at least on an annual basis i.e. the Member must make a contribution no later than twelve months after his or her previous contribution. The Member's Total and Permanent Disablement Cover will lapse on the date twelve months after the Member's last contribution is made.

The age-based TPD cover is set out in the table below:

Age range	Age-based Total and Permanent Disablement Cover
20 to 34 years	\$50,000
35 to 39 years	\$35,000
40 to 44 years	\$20,000
45 to 49 years	\$14,000
50 to 55 years	\$7,000

A Member's Total and Permanent Disablement Cover will change when he or she moves into the next age band.

A Member's Total and Permanent Disablement Cover cannot exceed the amount of his or her death Cover.

A Member can elect to cancel his or her Total and Permanent Disablement Cover at any time by notice in writing to the Trustee. If a Member cancels his or her Total and Permanent Disablement Cover, the cancellation will be effective from the date his or her application is processed and the Member will not be able to subsequently re-apply for Total and Permanent Disablement Cover.

Payment of a Member's Total and Permanent Disablement Cover is subject to legislation and the Trustee determining that the Member meets the definition of "Total and Permanent Disablement" below, that is:

- (a) for Members working more than 15 hours per week – the Member has ceased employment as a result of injury or illness and the Member is incapacitated to such an extent that he or she is unlikely ever to be able to resume work or to attend to any gainful profession or occupation for which he or she is reasonably qualified by education, training or experience.
- (b) for Members working less than 15 hours per week – the Member has suffered an illness or injury that means he or she is irreversibly unable to perform at least two activities of daily living (such as eating/drinking, dressing, toileting, bathing/showering, mobility) unassisted by another adult person or suitable aids.

In the event of a claim, the Trustee will determine which definition applies to the Member on the basis of his or her employment status at that time.

No Total and Permanent Disablement Benefit will be payable if a Member's claim arises directly or indirectly, partially or wholly as a result of:

- (a) a condition which existed at the time the Member's Total and Permanent Disablement Cover in the Spouse Contribution Account Section commenced;
- (b) a self-inflicted act; or
- (c) an act of war.

6.11 Cessation of Cover

Apart from when no Insured Benefit applies, death Cover (and any Total and Permanent Disablement cover) ceases in the Spouse Contribution Account Section when:

- (a) the Member withdraws the entire balance in his or her Spouse Contribution Account from the Scheme; or
- (b) the Member transfers the entire balance in his or her Spouse Contribution Account to another section of the Scheme; or
- (c) the Member attains age 66.

A Member's Total and Permanent Disablement Cover also ceases:

- (a) if no contributions have been received for twelve months; or
- (b) at age 56; or
- (c) if the Member ceases to be a resident in Australia for a period of more than three months; or
- (d) if the Member commences active service (including being the subject of a call out notice) with the armed forces of any country; or
- (e) if you advise in writing that you wish to discontinue your cover;

whichever occurs first.

6.12 Suicide

A Member's death Cover is not affected by the suicide of the Member.

6.13 Cost of Cover

- (a) The Trustee must seek actuarial advice on the cost of providing Cover to Members.
- (b) Unless no Insured Benefit applies to the Member, the Trustee will deduct the Insurance Charge from the Member's Spouse Contribution Account.
- (c) The Insurance Charge is deducted annually in arrears in December of each year.
- (d) Changes to age throughout the year will only affect the following year's Insurance Charge.
- (e) Upon cessation of Membership, any outstanding Insurance Charge is deducted from the Member's Spouse Contribution Account on a pro-rata basis.