

28 March 2020

iQ Super – General by Russell Investments

Insurance, Fees and Costs Guide

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The information in this document forms part of the Product Disclosure Statement for iQ Super – General by Russell Investments dated 28 March 2020. This document is produced by the Trustee of the Russell Investments Master Trust (Fund, Plan or iQ Super), Total Risk Management Pty Ltd (Trustee), ABN 62 008 644 353. The Trustee's Australian Financial Services Licence (AFSL) number is 238790. The Russell Investments Master Trust ABN is 89 384 753 567. The information in the PDS is correct at the time of publication of each document comprising the PDS. However, the information may change from time to time and if there is a material change to any of the information in any document, the Trustee will issue an updated document. However, if the change is not materially adverse to members, the Trustee may instead provide the updated information to members via the website russellinvestments.com.au/trusteerequireddisclosure. A paper copy of this information will be sent to any member, free of charge on request.

1. Insurance in your superannuation

The following insurance information is incorporated into section 8 of the Product Disclosure Statement (PDS):

It is important that you understand any eligibility and other conditions attached to your insurance. If you have any questions, you should contact the Plan.

If you are eligible for insurance cover and you make a claim for a disablement benefit, the Trustee of the Plan and the insurer will determine whether you meet the relevant definition (as set out below) to receive an insured disablement benefit. Similarly, in the event of your death, the Trustee will determine who should receive your death benefit (unless you have a valid binding death benefit nomination).

The insurance cover provided is subject to the terms and conditions contained in the insurance policy issued to the Trustee by the insurer. The terms and conditions of the insurance policies prevail over any inconsistency between the information in this document and the insurance policy.

1.1. Related party payments and insurance fees

The cost of insurance cover is recovered by deduction of insurance fees from your account balance. An insurance fee is made up of two components:

- the premium paid to the insurer; and
- an insurance processing fee that is paid to the administrator, a related party of the Trustee, called Russell Investments Employee Benefits Pty Ltd.

Throughout this document references to insurance fees are references to the sum of these two components.

2. Types of insurance cover within iQ Super

The types of insurance cover available in iQ Super – General is detailed below. You can opt out (i.e. cancel) at any time – see ‘Opting out of insurance cover’ section of this guide.

2.1. Death and Total and Permanent Disablement (TPD) cover

Your Death or TPD benefit is the balance of your account plus any Death or TPD insurance cover you have within the Plan. If you are not eligible for insurance or the insurer declines to pay your claim, your Death or TPD benefit will be restricted to the balance in all of your accounts.

2.2. Members who have transferred from iQ Super – Employer or iQ Super – Business

If you have transferred to iQ Super – General because you have left employment, you will be issued (without health evidence) with similar replacement cover for the insured Death and TPD that you had as a member of iQ Super – Employer or iQ Super – Business if you meet eligibility requirements.

Insurance Cover will not transfer to iQ Super – General

Under age 25

For new members from 1 April 2020, under 25 years when you join iQ Super - General, insurance cover will not be available to be transferred automatically. You will need to apply for cover. When you are at least 25 years old and you have a balance of more than \$6,000, cover may automatically commence (eligibility requirements and limitations may apply). Insurance fees will be deducted from your account.

Under \$6,000 balance

For new members from 1 April, your cover will not be provided automatically if your balance is less than \$6,000. You will need to apply for cover. When you are at least 25 years old and you have a balance of more than \$6,000, cover may automatically commence (eligibility requirements and limitations may apply). Insurance fees will be deducted from your account. You can opt in for insurance by calling us or logging in to your superannuation account and – under the Personal details page – elect to keep your current insurance cover.

Any previous advice to opt-in for Insurance cover, will not be transferred to iQ Super – General. Please ensure you go online and update your details.

Start Date of Cover in iQ Super – General

Your similar replacement cover will start from the day after you cease employment, even though we are notified of your termination of employment *later*. This ensures you have no gap in insurance cover. However, it means that the first insurance fee deducted from your iQ Super – General account could be for multiple months of cover. You can cancel your insurance cover at any time using the *Insurance Request Form* and your cancellation will be effective from the date we process your request.

Amount of Cover in iQ Super – General

Your replacement Death Only or Death and TPD cover will be issued as the minimum whole number of iQ Super – General units of Death Only or Death & TPD cover required to provide at least the same amount of cover you held in iQ Super – Employer on the last day of employment (please refer to the table in this section for the amount of cover per unit for your age next birthday). If you had fixed Death Only or Death and TPD cover in iQ Super – Business, your fixed cover will continue in iQ Super – General.

Depending on the arrangement between us, your employer and the insurer, if you have Death and TPD cover provided by your employer outside super and administered by Russell Investments, this cover may continue (without health evidence) if you are eligible under a different insurance arrangement in iQ Super – General upon your termination of employment. You will be advised whether this cover will continue in iQ Super – General when we receive the notification of your termination of employment with your employer.

If you had no cover on the date of leaving your employer there will be no cover issued to you upon transfer to iQ Super – General. If you want cover, you will need to apply to the insurer and provide health evidence, and the insurer will decide whether to accept or decline your application.

You can apply to be insured (or to increase the insurance level) for an unlimited amount of death insurance cover and up to a maximum of \$3 million of TPD insurance cover. All insurance cover in excess of your similar replacement cover is underwritten, which means that you will be asked to provide health evidence to the insurer. Additional insurance cover is only provided after the insurer has assessed your health evidence and confirmed (in writing) you have been accepted. The insurer's acceptance may exclude any pre-existing conditions and may be subject to increased insurance fees.

Important: Regardless of your previous occupation, upon transfer to iQ Super – General, any insurance will be classified as 'Standard' occupation (refer to 'The Occupational Categories' section of this guide).

Converting your Death and TPD cover (an example)

For example, a 40-year-old member changed jobs and transferred from iQ Super – Employer into iQ Super – General. The member's Death and TPD insurance cover in iQ Super – Employer was \$345,000. In iQ Super – General, the amount of cover per unit for a member aged 40 (age 41 next birthday) is \$77,000. The member's cover of \$345,000 is converted to 4.5 units of cover in iQ Super – General for a member aged 41 next birthday. As this is not a whole number of units, cover is rounded up to 5 units of cover, totaling \$385,000 (being 5 units at \$77,000 per unit).

2.3. Members joining iQ Super – General directly

If you have joined iQ Super – General as an individual and you want insurance cover for Death & TPD (or Death Only) you will need to apply to the insurer and provide evidence of your health. You can apply by logging on to your superannuation account and selecting the 'Manage your insurance' option or by completing an Insurance Request Form.

You can apply to be insured for an unlimited amount of death insurance cover and up to a maximum of \$3 million of TPD insurance cover. Please note that the maximum benefit payable upon terminal illness is \$3 million. You can also request a change to your insurance cover at any time.

The insurance cover is underwritten which means that you will be asked to provide health evidence to the insurer. Insurance cover is only provided after the insurer has assessed your health evidence and confirmed (in writing) you have been accepted. The insurer's acceptance may exclude any pre-existing conditions and may be subject to increased insurance fees.

Death Only or Death & TPD cover is issued in units which depend on your age, as shown in the table below. You can apply to be insured for an unlimited amount of Death insurance cover and up to a maximum of \$3 million of TPD insurance cover.

Cover for Death Only and Death & TPD (when provided in units)

Age next birthday	Value of each unit of Death Only or Death and TPD cover	Age next birthday	Value of each unit of Death Only or Death and TPD cover
16	189,000	44	60,000
17	156,000	45	55,000
18	132,000	46	50,000
19	117,000	47	45,000
20	107,000	48	41,000
21	102,000	49	38,000
22	101,000	50	35,000
23	101,000	51	32,000
24	101,000	52	30,000
25	102,000	53	27,000
26	111,000	54	25,000
27	112,000	55	23,000
28	113,000	56	22,000
29	113,000	57	20,000
30	113,000	58	19,000
31	114,000	59	17,000
32	114,000	60	15,000
33	114,000	61	14,000
34	110,000	62	13,000
35	107,000	63	12,000
36	103,000	64	11,000
37	99,000	65	10,000
38	96,000	66	9,000
39	89,000	67	8,000
40	83,000	68	7,000
41	77,000	69	6,000
42	71,000	70	5,000
43	66,000		

2.4. Insurance fees for insurance cover (when provided in units)

The insurance fee for each unit of cover depends on whether:

- your cover is for Death Only or Death & TPD; and
- how the insurer classifies your occupation (your 'Occupational Category').

2.5. The Occupational Categories

When you join iQ Super – General your occupation is automatically classified by the insurer as 'Standard'. However, you may be eligible to apply for another occupational category ('Low Risk' or 'Professional') with lower insurance fees than those which apply for the 'Standard' occupational category. If you believe you may qualify for a different occupational category you can apply to the insurer to change your occupational category by logging on to your superannuation account and selecting the 'Manage your insurance' option. The table below provides a description of the three Occupational Categories.

Description of Occupational Category

Occupational Categories	
Professional	White Collar Professionals performing no manual duties (e.g. lawyer, accountant). Usually those with a tertiary qualification or registration by a professional body (they must be using these qualifications in their occupation). Those well-established senior executives (those with 10 or more years in that role) with incomes in excess of \$80,000 pa, without tertiary qualifications may also be included.
Low Risk	Clerical, administration and managerial occupations involving office and travel duties. No manual work (e.g. Administrator, book-keeper, computer operator). Includes occupations with tertiary qualifications that involve very light physical work (e.g. osteopath, physiotherapist).
Standard	Certain qualified tradespeople (e.g. electrician) who engage in light manual work only. Includes business owners in non-hazardous industries involved in light manual work (e.g. coffee shop owner) and those who may supervise medium blue collar workers (no more than 25% of their work time). Includes occupations that are not limited to an office, where travel is an essential part of the job (e.g. field surveyor). Also includes qualified skilled tradespeople in non-hazardous industries wholly involved in manual duties (e.g. carpenter, plumber, plasterer, and mechanic). Also includes heavy manual workers in non-hazardous industry performing higher risk occupations (e.g. interstate bus driver, warehouse worker, labourer, bricklayer, house removalist).

2.6. Weekly insurance fee per unit of cover

The weekly insurance fee for each unit of cover is shown in the table below (quoted fees are net of tax deduction).

Occupational Category	Weekly insurance fee per unit of Death Only cover	Weekly insurance fee per unit of Death and TPD cover
Standard	\$2.59	\$3.46
Low Risk	\$1.30	\$1.73
Professional	\$1.17	\$1.56

Insurance fees for Death Only cover or Death and TPD cover are deducted monthly from your account on the last Friday of the month. The insurance fees deducted from your account are net of the tax deduction that the Fund can claim for insurance expenses. For example, the before-tax insurance fee for Death and TPD cover for the 'Low Risk' occupational category is \$2.04 per unit per week. Once the tax deduction is applied the insurance fee equates to \$1.73 per unit per week

2.7. Fixing the amount of your cover (an alternative to cover in units)

If you don't want your insurance cover to reduce each year, you can apply to the insurer to fix the dollar amount of your Death Only or Death and TPD cover. The insurance fees you pay will vary each year according to your age and your Occupational Category. The following table shows the insurance fees for Fixed Death and TPD cover and Fixed Death Only cover.

Insurance fees for any additional fixed Death Only cover or Death and TPD cover are deducted monthly from your account on the last Friday of the month. The insurance fees deducted from your account are net of the tax deduction that the Fund can claim for insurance expenses. For example, the annual Death and TPD before-tax insurance fee per \$1,000 of Death and TPD cover for a 35 year old (age 36 next birthday) 'Low Risk' occupational category is \$1.12. Once the tax deduction is applied this equates to \$0.95 per \$1,000 of cover.

Annual insurance fees per \$1,000 of fixed cover

Age Next Birthday	Annual insurance fees per \$1,000 of fixed cover					
	Standard		Low Risk		Professional	
	Death Only	Death & TPD	Death Only	Death & TPD	Death Only	Death & TPD
16	0.78	1.01	0.39	0.51	0.35	0.46
17	0.92	1.23	0.46	0.62	0.42	0.55
18	1.10	1.47	0.55	0.74	0.50	0.66
19	1.21	1.67	0.61	0.84	0.55	0.75
20	1.32	1.79	0.66	0.90	0.60	0.81
21	1.41	1.90	0.71	0.95	0.64	0.86
22	1.41	1.90	0.71	0.95	0.64	0.86
23	1.41	1.90	0.71	0.95	0.64	0.86
24	1.41	1.90	0.71	0.95	0.64	0.86
25	1.41	1.90	0.71	0.95	0.64	0.86
26	1.31	1.74	0.66	0.87	0.59	0.79
27	1.27	1.71	0.64	0.86	0.57	0.77
28	1.27	1.71	0.64	0.86	0.57	0.77
29	1.27	1.71	0.64	0.86	0.57	0.77
30	1.27	1.71	0.64	0.86	0.57	0.77
31	1.25	1.71	0.63	0.86	0.56	0.77
32	1.25	1.71	0.63	0.86	0.56	0.77
33	1.25	1.71	0.63	0.86	0.56	0.77
34	1.31	1.76	0.66	0.88	0.59	0.80
35	1.32	1.79	0.66	0.90	0.60	0.81
36	1.41	1.89	0.71	0.95	0.64	0.85
37	1.45	1.96	0.73	0.98	0.66	0.88
38	1.47	2.04	0.74	1.02	0.66	0.92
39	1.60	2.18	0.80	1.09	0.72	0.99
40	1.73	2.31	0.87	1.16	0.78	1.04
41	1.87	2.51	0.94	1.26	0.85	1.13
42	2.00	2.73	1.00	1.37	0.90	1.23

Age Next Birthday	Annual insurance fees per \$1,000 of fixed cover					
	Standard		Low Risk		Professional	
	Death Only	Death & TPD	Death Only	Death & TPD	Death Only	Death & TPD
43	2.15	2.91	1.08	1.46	0.97	1.31
44	2.38	3.22	1.19	1.61	1.07	1.45
45	2.59	3.51	1.30	1.76	1.17	1.58
46	2.88	3.87	1.44	1.94	1.30	1.74
47	3.17	4.29	1.59	2.15	1.43	1.93
48	3.49	4.71	1.75	2.36	1.58	2.12
49	3.73	5.07	1.87	2.54	1.68	2.28
50	4.06	5.53	2.03	2.77	1.83	2.49
51	4.46	6.02	2.23	3.01	2.01	2.71
52	4.72	6.42	2.36	3.21	2.13	2.89
53	5.28	7.13	2.64	3.57	2.38	3.21
54	5.69	7.72	2.85	3.86	2.57	3.48
55	6.18	8.37	3.09	4.19	2.79	3.77
56	6.46	8.76	3.23	4.38	2.91	3.95
57	7.10	9.62	3.55	4.81	3.20	4.33
58	7.48	10.15	3.74	5.08	3.37	4.57
59	8.36	11.32	4.18	5.66	3.77	5.10
60	9.48	12.84	4.74	6.42	4.27	5.78
61	10.15	13.77	5.08	6.89	4.57	6.20
62	10.93	14.83	5.47	7.42	4.92	6.68
63	11.83	16.06	5.92	8.03	5.33	7.23
64	12.93	17.51	6.47	8.76	5.82	7.88
65	14.23	19.27	7.12	9.64	6.41	8.67
66	15.82	21.39	7.91	10.70	7.12	9.63
67	17.78	24.10	8.89	12.05	8.00	10.85
68	20.33	27.51	10.17	13.76	9.15	12.38
69	23.70	32.13	11.85	16.07	10.67	14.46
70	28.45	38.52	14.23	19.26	12.81	17.34

2.8. Bundled Death & TPD cover

Please be aware that any TPD cover you may have is bundled with death cover to form 'Death and TPD' cover. This means that while you can have Death Only cover, you cannot have TPD cover without death cover as well. It is possible to have higher cover for death than cover for TPD, but you may not have TPD cover higher than your death cover. Furthermore, you (or your dependants or your estate) can claim either a TPD benefit or a death benefit, but not both.

If you were to claim a TPD benefit and die during the period the claim was being assessed, the TPD claim would generally be paid if the insurer and the Trustee had sufficient information to make such a decision. However, if (at the date of death) the insurer and the Trustee did not hold sufficient evidence to approve a TPD benefit, the death benefit would be paid. In any case, if your death benefit is greater than the TPD benefit, we will pay the higher amount.

2.9. Example of Death and TPD insured benefit calculation

Jim is a 35-year-old office worker (or 36 Age Next Birthday) who works full-time and earns a base salary of \$50,000 a year. Jim's occupational category is 'Low Risk'.

- **If Jim has one unit of Death & TPD insurance**
Jim's Death & TPD Insured benefit would be \$103,000. The insurance fee would be \$1.73 per week (\$89.96 p.a.).
- **If Jim has one unit of Death & TPD insurance and decided to increase his death only cover by an additional 2 units,**
Jim's Death insured benefit would be \$309,000 (\$103,000 x 3 units) however his TPD insured benefit would remain at \$103,000. His insurance fees would be \$1.73 + (\$1.30 x 2) = \$4.33 per week (\$225.16 p.a.)

2.10. Terminal Illness benefit

You may be able to access your death benefit before your death if you are diagnosed with a *Terminal Medical Condition* as defined in superannuation legislation.

To access the insured component of your death benefit prior to your death, up to a maximum of \$3 million, you must also meet the insurer's definition of Terminal Illness. You can find this in 'The insurer's definitions' section of this guide.

2.11. Income protection cover

Members who have transferred from iQ Super – Employer or iQ Super – Business

If you have transferred to iQ Super – General because you have left employment you will be issued (without health evidence) with similar replacement cover for the Income Protection cover you had as a member of iQ Super – Employer or iQ Super – Business. This cover will start from the day after you cease employment, even though we are notified of your termination of employment *later*. This ensures you have no gap in insurance cover. However, it means that the first insurance fee deducted from your iQ Super – General account could be for multiple months of cover. You can cancel your insurance cover at any time using the Insurance Request Form and your cancellation will be effective from the date we process your request.

If you have Income Protection cover provided by your employer outside super and administered by Russell Investments, this cover may continue (without health evidence) if you are eligible under a different insurance arrangement in iQ Super – General upon your termination of employment. You will be advised whether this cover will continue in iQ Super – General when we receive the notification of your termination of employment with your employer.

Your replacement Income Protection cover (if any), with a 90-day waiting period and a maximum benefit period of 2 years, in iQ Super – General will generally be the lower of:

- The greater of the amount of your cover in iQ Super – Employer (or the amount of cover provided by your employer outside super and administered by Russell Investments) on your last day of employment, and
- 75% of the last 'salary' advised by your employer to us.

Note, iQ Super can only pay one Income Protection benefit to a member. Therefore, you can only hold one lot of Income Protection cover in iQ Super -General. For example, if you have both the Income Protection cover under iQ Super – Employer and Income Protection cover provided by your employer outside super, you will only receive one lot of replacement Income Protection cover under iQ Super – General as described above.

Please note that in the General Division the amount of your Income Protection cover will be capped and will not increase as your salary increases. The insurance fee for your Income Protection cover will be based on the salary we hold for you. If your salary reduces you can apply to reduce your insured cover. The actual benefit payment will be based upon the 'Salary' at the date of disability as calculated by the insurer. Please see the Salary definition (for Income Protection purposes) in 'The insurer's definitions' section for further details.

If you wish to increase your cover to keep up with any future salary increases you will need to apply to the insurer and provide evidence of your health. The insurer will decide whether to accept (on standard or non-standard terms) or decline your application for increased cover.

Members joining iQ Super – General directly

If you have joined as an individual and you want Income Protection cover you will need to apply to the insurer and provide evidence of your health. You can apply by logging on to your superannuation account and selecting the 'Manage your insurance' option or by completing an Insurance Request Form.

The insurance cover is underwritten which means that you will be asked to provide health evidence to the insurer. Insurance cover is only provided after the insurer has assessed your health evidence and confirmed (in writing) you have been accepted. The insurer's acceptance may exclude any pre-existing conditions and may be subject to increased insurance fees.

For all members with Income Protection

If you have Income Protection cover in iQ Super – General, you may be eligible for an Income Protection benefit if you satisfy the insurer's definition of 'Total Disability' or 'Partial Disability'. Where payable, your Income Protection benefit is generally 75% of your 'Salary' (as defined by the insurer), capped at a maximum of \$30,000 per month. Please refer to 'The insurer's definitions' section for definitions of 'Total Disability' and 'Partial Disability'.

Any benefit payment is subject to the terms and conditions in the insurance policy.

If you qualify for an Income Protection benefit, your payments will accrue once you have been away from work for 90 days (the 'Waiting Period') and have been assessed by the insurer and Trustee as being 'Totally Disabled'. However, as the payments are payable monthly in arrears, the first payment will not be made any earlier than a month after the end of the 'Waiting Period'. You may receive monthly income payments for up to two years, provided you continue to meet the insurer's Disability definitions.

Your Income Protection benefit will be based on the 'Salary' at the date of disability as calculated by the insurer. Please see the Salary definition (for Income Protection purposes) in 'The insurer's definitions' section for further details.

Payments may be reduced by income received from other sources, including but not limited to worker's compensation, statutory compensation, pension, social security or similar schemes, any other income protection policies or any income benefits received from a superannuation fund (in respect of disability) and any paid sick leave entitlements.

An Income Protection benefit may continue to be paid if you gradually return to work if you remain 'Partially Disabled' (as defined by the insurer), with payments reduced to reflect income earned. Please see the definition of 'Partial Disability' in 'The insurer's definitions' section.

The Income Protection benefit will stop if you no longer satisfy the definition of ‘Totally Disabled or ‘Partially Disabled’, you die, you turn age 70 or you have been receiving the benefit for 24 months. Please note that if you die the insurer will make an additional payment equal to 25% of the annual Total Disability Benefit.

The recurrence of a disability within 6 months of ceasing to be ‘Totally Disabled’ or ‘Partially Disabled’ will generally be considered to be the continuation of a prior claim and not a new claim. This means that a new ‘Waiting Period’ will not apply before your benefits can restart.

Insurance fees for Income Protection depend on your age, your Occupational Category and the amount of your cover. The following table shows the annual insurance fee per \$1,000 of annual cover.

Insurance fees for Income Protection cover are deducted monthly from your account on the last Friday of the month. The insurance fees deducted from your account are net of the tax deduction that the Fund can claim for insurance expenses. For example, the annual before-tax insurance fee per \$1,000 of annual cover for a 35 year old (age 36 next birthday) ‘Low Risk’ occupational category is \$1.06. Once the tax deduction is applied this equates to \$0.90 per \$1,000 of annual cover.

Annual insurance fee per \$1,000 of Income Protection Cover

Age Next Birthday	Standard	Low Risk	Professional	Age Next Birthday	Standard	Low Risk	Professional
16	1.27	0.64	0.57	44	3.56	1.78	1.61
17	1.29	0.65	0.58	45	3.94	1.97	1.78
18	1.33	0.67	0.60	46	4.38	2.19	1.98
19	1.36	0.68	0.62	47	4.85	2.43	2.19
20	1.36	0.68	0.62	48	5.43	2.72	2.45
21	1.36	0.68	0.62	49	6.06	3.03	2.73
22	1.33	0.67	0.60	50	6.75	3.38	3.04
23	1.33	0.67	0.60	51	7.49	3.75	3.37
24	1.30	0.65	0.59	52	8.31	4.16	3.74
25	1.27	0.64	0.57	53	9.20	4.60	4.14
26	1.26	0.63	0.57	54	10.21	5.11	4.60
27	1.27	0.64	0.57	55	11.34	5.67	5.11
28	1.31	0.66	0.59	56	12.52	6.26	5.64
29	1.33	0.67	0.60	57	13.81	6.91	6.22
30	1.38	0.69	0.63	58	15.21	7.61	6.85
31	1.42	0.71	0.64	59	16.72	8.36	7.53
32	1.46	0.73	0.66	60	18.37	9.19	8.27
33	1.51	0.76	0.68	61	20.14	10.07	9.07
34	1.61	0.81	0.73	62	22.05	11.03	9.92
35	1.67	0.84	0.75	63	24.13	12.07	10.86
36	1.79	0.90	0.81	64	26.40	13.20	11.88

Age Next Birthday	Standard	Low Risk	Professional	Age Next Birthday	Standard	Low Risk	Professional
37	1.90	0.95	0.86	65	28.89	14.45	13.00
38	2.02	1.01	0.91	66	31.67	15.84	14.25
39	2.18	1.09	0.99	67	34.72	17.36	15.62
40	2.40	1.20	1.08	68	38.08	19.04	17.14
41	2.62	1.31	1.18	69	35.98	17.99	16.19
42	2.90	1.45	1.31	70	19.76	9.88	8.89
43	3.21	1.61	1.45				

2.12. Example of Income Protection insured benefit calculation

Jim is a 35-year-old office worker (or 36 Age Next Birthday) who works full-time and earns a base salary of \$50,000 a year. Jim's occupational category is 'Low Risk'.

- **Jim has an Income Protection cover which is calculated as follows:**

= Base Salary x 75%

= \$50,000 x 75%

= \$37,500 per year

The insurance fees would be calculated as:

= Annual benefit / \$1,000 x Low Risk rate for age next birthday 36 years

= \$37,500 / 1,000 x 0.90

= \$33.75 per year

= \$0.65 per week

3. Important information regarding your insurance cover

3.1. Payment of Insurance fees

Insurance fees for insurance cover are deducted from your account on the last Friday of each month. If your account balance becomes insufficient to meet the cost of your insurance, the insurance cover relating to those fees will be cancelled within that month.

It is important to note that the insurance fees are calculated based on the number of weeks within the month, so the amount of fees and the payment period date will vary from month to month. For example:

- The insurance fees for June are calculated and deducted on 29 June (last Friday of the month).
- The insurance fee amount is \$10 and the balance is \$7.
- The insurance payment period is 26 May - 29 June.
- Cover will be cancelled from the second day of that insurance payment period, which will be 27 May.

Where you have Death & TPD cover and Income Protection cover, and your balance becomes insufficient to pay all insurance fees, your Income Protection cover will be cancelled first.

It is your responsibility to maintain the minimum balance within the Fund if you want to retain your insurance benefits.

3.2. Opting -in for insurance cover

If you transferred from another division it is important to note that any previous advice to opt-in for Insurance cover, will not be transferred to iQ Super – General. Please ensure you go online and update your details.

There are three ways to keep your insurance cover in this account:

- Go to russellinvestment.com.au, log in and visit your Personal Details page. Under the Insurance Retention section, click to update and elect to retain your insurance cover.
- Complete an Insurance Opt-in Form and return it to us. Call us for a copy.
- Ensure that your account balance reaches \$6,000 as soon as possible by either contributing to your account or rolling over an amount from another account.

Visit russellinvestments.com.au/contribute to find out how to add to your account and russellinvestments.com.au/combine to consolidate any other accounts you have into your account.

3.3. Opting-out of insurance cover

You can opt-out (i.e. cancel) or reduce the amount of your insurance cover at any time by logging on to your superannuation account and selecting the 'Manage your insurance' option or by sending us a completed Insurance Request Form.

The effective date of your cancellation will be the date your cancellation request is processed.

We will confirm receipt of your instructions in writing and advise you of the date your insurance cover and insurance fees will be reduced or cancelled.

You will not be able to make a claim for insurance benefits for events or conditions that arise after your cover is cancelled.

If you are replacing your insurance cover with alternative cover, you should not cancel your insurance cover until the replacement cover is in place.

If you cancel your insurance cover, and you later wish to restart your cover, you will need to apply and provide health evidence to the insurer, who will decide whether to accept (on standard or non-standard terms) or decline your application.

Please note that:

- if you opt out of insurance cover, you must opt out of Death & TPD cover at the same time; and
- your TPD cover can never be higher than your death cover.

3.4. Life Events Cover

If your personal or financial situation changes, then you may need to change your insurance. Marriage, divorce, having children or buying or renovating a home are all reasons to review your insurance cover.

With Life Events Cover, you can increase your Death Only or Death & TPD cover up to certain limits by completing an Application Form and providing some documentary evidence of the change in your life.

If you already have insurance with the Plan, you can apply to increase your Death Only or Death & TPD cover within:

- 60 days of one of the Life Events occurring; or
- 30 days after issue of the first benefit statement after the Life Event occurs.

Life Events means:

- you get married or divorced;
- you have a child or adopt a child;
- you take out a new mortgage on your primary residence or you increase your mortgage to renovate your primary residence.

Conditions

you must be age 55 or younger and not be engaged in a 'Hazardous Occupation' (as defined by the insurer);

- you are not, due to sickness, accident or injury, off work or unable to perform your full or normal duties on a full-time basis (at least 30 hours per week), even if your actual employment is full-time, part-time or casual;
- you have not been diagnosed with, or do not suffer from, an illness that reduces your life expectancy to less than 12 months from the date of your application;
- you are not entitled to lodge, or intend to lodge, or have ever lodged a claim for illness or injury through workers' compensation, sickness benefit, invalid pension or any insurance policy providing for TPD cover, accident or sickness cover;
- you have not had an application for life or disability insurance cover declined or offered on alternate terms;
- each increase in cover cannot be higher than the lesser of \$200,000 or 25% of the total cover you currently hold, or, if the increase is due to a mortgage, the amount of the mortgage or increase in mortgage.

- you can apply for an increase in cover due to a Life Event once in any 12-month period and the total increase in cover (due to Life Events Cover) across the life of your policy cannot exceed \$800,000, and
- any exclusions or special terms (including any increase in insurance fees) which apply to your existing cover will apply to any increase in cover issued under Life Events Cover.
- any increased cover which arises due to a Life Event will be a multiple of \$1,000 or in the nearest whole number of units of age-based cover as outlined above.

You must apply using the Life Events Application Form available in your online account.

Insurance fees for your Life Events Cover are the same as shown in earlier sections and depend on the type of cover you hold, age-based units or fixed cover. If your application is successful, the insurer will inform you, in writing, of the date your Life Events Cover starts.

3.5. Insurance cover while overseas

If you are an 'Australian Resident' (as defined by the insurer) residing outside Australia, your Death & TPD cover and Income Protection cover will continue for up to 3 years. The cover period can be extended subject to the insurer's approval prior to the expiry of this 3-year period.

If you are a 'Temporary Australian Resident' (as defined by the insurer) residing outside Australia, your Death & TPD cover and Income Protection cover will continue for up to 3 months. This period can be extended at the discretion of the insurer, provided you seek written approval before the expiry of this 3-month period.

In the event of a claim for TPD, Terminal Illness or Income Protection benefit, the insurer may require you to return to Australia at your own expense for assessment of a claim. Payment of any benefit (except upon death) could be conditional on you returning to Australia for such an assessment.

Please contact the Plan to obtain confirmation of the terms and conditions which will apply to your insurance arrangements before you go overseas.

3.6. Insurance cover when you are on leave without pay

If you go on employer-approved leave without pay, your Death & TPD and/or Income Protection cover will continue for up to 24 months. The cover period can be extended subject to the insurer's approval prior to the expiry of the initial period. However, conditions will apply.

In the case of your TPD cover, in the event that you suffer TPD during the first 24 months of leave, the occupation and work hours you performed immediately before you took the leave will be considered as your occupation and work hours for the purposes of the definition of TPD. If you suffer TPD after the initially approved period of leave, you will be assessed against parts (a) (b) and (d) of the insurer's TPD definition. Please refer to 'The insurer's definitions' section for more detail.

If you are contemplating leave without pay, you should contact the Plan to obtain confirmation of the terms and conditions that will apply to your insurance arrangements before you start your leave.

3.7. Insurance cover for inactive accounts

Government rules aim to protect low balance and inactive super accounts from being inappropriately eroded by fees and insurance premiums. If the Fund has not received an opt in to keep insurance and where your account has been inactive (meaning no contribution or rollover has been received in your account) for continuous period of 16 months or more, your insurance will be cancelled. You will receive notice at 9, 12 and 15 months of inactivity allowing you to opt in.

3.8. Making a claim

If you would like to make a claim for a Terminal Illness benefit, a TPD benefit, an Income Protection benefit or advise the Plan of a member's death, please contact the Plan on 1800 555 667 for the appropriate forms and documents to be sent to you.

All claims involving insurance are assessed by both the insurer and the Trustee.

You should notify the Plan as soon as possible of any claim for a TPD benefit so that we can assist you with the claim process. It is highly recommended that you obtain medical evidence documenting the state of your health and your ability to work in any occupation, for which you are suited by education, training or experience, at or shortly after the time you stop working. This will help to avoid any potential delay in processing your claim. If the insurer declines to pay your claim, the benefit is restricted to your account balance.

Successful claims and insurance proceeds

If your TPD or Terminal Illness claim is successful, any insurance proceeds will be credited to your account with the Plan. If you no longer hold an account with the Plan, a new account will be opened for you in iQ Super – General and the insurance proceeds will be invested in the Australian Cash option, until you instruct us otherwise.

Any insurance proceeds received in the event of your death are placed into your account with the Plan and will remain invested in the Plan until the Trustee has made a determination on how your account balance is to be distributed. Note, death insurance proceeds will be invested in the Australian Cash option until the death benefit is paid from the Plan.

If your Income Protection claim is successful, the payments from the insurer are generally paid directly to you by cheque or by EFT to your nominated bank account. PAYG tax will be deducted.

4. The insurer's definitions

Words in italics have a special meaning within the insurance policy. Please contact us if you require a full list of insurance policy definitions.

4.1. Total & Permanent Disablement (TPD)

Means that in the insurer's opinion, the *Insured Person* is:

- under the care of and following the advice of a *Medical Practitioner*;
- meets one or more of the following definitions Parts (a), (b), (c) or (d) as applicable; and
- has suffered ill-health (whether physical or mental) that makes it unlikely, solely because of Illness or Injury, that they will engage in *Gainful Employment* for which they are reasonably qualified by education, training or experience.

Part (a) solely because of illness or injury, the *Insured Person* has suffered the permanent loss of:

- i) the use of two limbs (where 'limb' is defined as the whole hand below the wrist or whole foot below the ankle); or
- ii) the sight in both eyes; or
- iii) the use of one limb and the sight in one eye;

or

Part (b) solely because of illness or injury, the *Insured Person* is unlikely ever to be able to perform at least two of the following activities of daily living:

- i) dressing – the ability to put on and take off clothing without assistance;
- ii) bathing – the ability to wash or shower without assistance;
- iii) toileting – the ability to use the toilet, including getting on and off, without assistance;
- iv) mobility – the ability to get in and out of bed and a chair without assistance; or
- v) feeding – the ability to get food from a plate into the mouth without assistance;

where 'assistance' means the assistance of another person;

or

Part (c) where at the *Date of Disablement*, the *Insured Person* was in *Gainful Employment* of 15 or more hours per week (averaged over the 13-week period prior to the *Date of Disablement* or such shorter period if employed for less than 13 weeks immediately prior to the *Date of Disablement*), the *Insured Person*:

- i) solely because of illness or injury has been absent from employment for six consecutive months; and
- ii) at the end of the period of 6 months, after consideration of all relevant evidence the *Insured Person* is disabled to such an extent as to render them unlikely to ever again be engaged in any occupation for which they are reasonably suited by their education, training or experience;

or

Part (d) where at the *Date of Disablement*, the *Insured Person* was not in *Gainful Employment* and was engaged in *Domestic Duties* at home, the *Insured Person* solely because of illness or injury:

- i) is under the care of a *Medical Practitioner*; and
- ii) is unable to perform those *Domestic Duties*; and
- iii) is unable to leave their home unaided; and
- iv) has not engaged in any *Gainful Employment* for a period of six consecutive months after the occurrence of the injury or illness; and
- v) at the end of the period of six months, in the insurer's opinion, after consideration of all relevant evidence the *Insured Person* is disabled to such an extent as to render them unlikely to perform those *Domestic Duties* or engage in any gainful occupation for which they are reasonably suited by education, training or experience.

4.2. Restricted TPD cover from age 65 to age 69

The definition of TPD for an *Insured Person* aged 65 or above will be restricted to parts (a), (b) and (d) of the TPD definition.

Where TPD occurs before 1 January 2014

This section is relevant only for members who joined the Plan before 1 January 2014 and wish to lodge a TPD claim in respect of TPD that occurred before 1 January 2014.

If you became disabled before 1 January 2014, different rules apply: if you met the insurer's TPD definition that applied at the time of your disablement and you were eligible for TPD insurance, the insurer will pay your insured benefit to the Trustee, who will credit the insurance proceeds to your account balance. However, the Trustee cannot release your account balance, including your insured benefit, to you unless you also meet the Permanent Incapacity definition or another condition of release as defined in the SIS Act.

The current definition of Permanent Incapacity is: *A member is taken to be suffering Permanent Incapacity if the Trustee of the fund is reasonably satisfied that the member's ill-health (whether physical or mental) makes it unlikely that the member will engage in gainful employment for which the member is reasonably qualified by education, training or experience.*

Please refer to 'Withdrawing your superannuation' under section 1 of the Super Guide which is available at russellinvestments.com.au/superguide for more information about the other conditions of release.

4.3. Total Disability (for Income Protection)

Total Disability means that in the insurer's opinion the *Insured Person*, while insured by the insurer, as a direct result of illness or injury:

- a) is unable to perform at least one important income producing duty of their regular occupation;
- b) is not working in any capacity, *Gainful Employment* or otherwise, and
- c) is under the regular care of a *Medical Practitioner*; and, in the insurer's reasonable opinion, is complying with the advice and treatment given by that *Medical Practitioner*.

4.4. Partial Disability (for Income Protection)

Partial Disability means that immediately following a period of at least 14 consecutive calendar days of *Total Disability*, and as a direct result of the same illness or injury that caused *Total Disability*, the *Insured Person*:

- a) cannot work their pre-disability working hours, or is unable to perform at least one important income producing duty of their regular occupation, or does not have the capacity to work at the same level they were working at prior to commencement of *Total Disability*;
- b) suffers a partial loss of monthly *Salary*; and
- c) is under the regular care of a *Medical Practitioner* and, in the insurer's reasonable opinion, is complying with the advice and treatment given by that *Medical Practitioner*. All work undertaken by the *Insured Person* must be approved by the insurer and their *Medical Practitioner*.

4.5. Salary (for Income Protection purposes)

means the lower of, as applicable:

- a) the total of:
 - i. earnings received in respect of ordinary hours of work; and
 - ii. earnings consisting of performance related bonuses, commission amounts, overtime, and shift allowances, up to a maximum of 30% of the amount calculated under part (a)(i); but
 - iii. excluding any amount specifically excluded by the definition of 'Ordinary Time Earnings' as defined by *Superannuation Guarantee Legislation* (other than amounts that are excluded from this definition solely because they are in excess of the maximum contribution base);

averaged over the 12-month period (or the actual period of employment if employed for less than 12 months) immediately preceding the date of *Disability*;
- b) where the *Insured Person* directly or indirectly owns all or part of the business from which they earn their usual income, the annual income earned by the *Insured Person's* personal exertion, less all expenses incurred by the *Insured Person* in earning that income, but before the deduction of income tax for that business, calculated by averaging the *Insured Person's* net earnings for the two years immediately preceding the *Date of Disablement*, or the period of time since the *Insured Person* commenced their ownership of the business; and
- c) the *Salary* most recently advised by the trustee to the insurer in writing.

4.6. Terminal Illness

A Terminal Illness claim can be made to access:

- 1) Any applicable Terminal Illness Insurance cover (life expectancy of less than 12 months); and
- 2) Your superannuation account balance (life expectancy of less than 24 months).

There are different criteria to access any insured benefit and account balance.

Insured benefit (life expectancy of less than 12 months)

Terminal illness means an *Insured Person* suffers any condition that:

- a) two appropriate *Medical Practitioners* approved by the insurer (at least one of whom is a specialist) certifies in writing, having regard to the current treatment as the *Insured Person* may reasonably be expected to receive, will despite reasonable medical treatment likely lead to the *Insured Person's* death within 12 months of the date of the certification; and
- b) the insurer is satisfied, on medical or other evidence, will despite reasonable medical treatment lead to the *Insured Person's* death within 12 months of the certification referred to in paragraph (a).

Your account balance (life expectancy of less than 24 months)

To access your account balance, you must meet the following criteria:

- a) two registered medical practitioners have certified, jointly or separately, that the person suffers from an illness, or has incurred an injury, that is likely to result in the death of the person within a period (the certification period) that ends not more than 24 months after the date of the certification;
- b) at least one of the registered medical practitioners is a specialist practicing in an area related to the illness or injury suffered by the person;
- c) for each of the certificates, the certification period has not ended.

Information you need to know

If the medical opinion is a likely life expectancy of less than 24 months, but not less than 12 months, then you may be able to access your account balance, however, the insured benefit will not be payable. In this circumstance, it is important to note that if you wish to retain the current Death/Terminal Illness insurance cover for a future claim against the policy then you must ensure your insurance cover remains in force. **You must ensure you have sufficient funds within your account to meet your insurance premiums.**

If you do not currently meet the criteria for the Terminal Illness insured benefit you may be able to make a TPD claim. However, please note that to qualify for a TPD benefit the Insurer must be satisfied that the insurance policy definition is met at the applicable time. A Terminal Illness diagnosis does not necessarily mean that the Total and Permanent Disablement definition is met.

Please contact the Plan on 1800 555 667 for the appropriate forms and documents to be sent to you.

5. Fees and costs

The following information is incorporated into section 6 of the PDS:

Type of fee or cost ⁺	Amount	How and when paid
Investment fee	0.36%* p.a. of your account balance.	The investment fee is deducted from the investment returns before the net earnings are declared and applied to your account. It is not deducted from your account.
Administration fee	The standard fee of 0.58% p.a. of your account balance. Plus, a fixed-dollar fee of \$78.00 p.a.	The administration fee is deducted from your account on the last business day of each month. The fixed-dollar fee will be indexed with AWOTE [^] at 1 October each year. <i>The Trustee passes on the tax deductions it receives so the actual amount deducted from your account would be 0.493% p.a. Plus, a fixed-dollar fee of \$66.30 p.a.</i>
Buy-sell spread	These spreads vary depending on the investment option(s) you choose. For more information, please visit russellinvestments.com.au/iQbuysellspread	You can read more about the buy-sell spread in the 'Additional explanation of investment fees and costs' section of your Investment Guide.
Switching fee	Nil	Not applicable.
Advice fees[∇] relating to all members investing in a particular MySuper product or investment option	Nil for general and simple personal advice related to your interests in iQ Super. An advice fee for complex personal advice may be payable.	For Advice fees, refer to the 'Additional explanation of investment fees and costs' section of your Super Guide.
Other fees and costs	Insurance fee: For insurance fees, refer to 'Types of insurance cover within iQ Super' section of this guide.	The insurance fee is calculated monthly and deducted from your account on the last Friday of the month.
	Family fees: Family Law fees are payable for information requests.	For Family Law fees, refer to the 'Additional explanation of fees and costs' section of your Super Guide.
Indirect Cost Ratio (ICR)	0.24% p.a.* of your account balance, which comprises: Estimated Performance Related Fee of 0.03% p.a. Estimated Other Indirect Costs of 0.21% p.a. Operational Risk Reserve of 0.00% p.a.	These costs have already been accounted for in the investment returns. Refer to the Additional Explanation of Fees and Costs section of your Investment Guide.

- + If your account balance is less than \$6,000 at 30 June, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of your account balance. Any amount charged in excess of that cap must be refunded to you.
- Additional fees may apply. Refer to the 'Additional explanation of fees and costs' section of your Super Guide.
- * The Investment fee varies according to the option you invest in. The quoted fee here is for the GoalTracker option.
- [^] AWOTE means Average Weekly Ordinary Time Earnings.
- [∇] Additional fixed-dollar or percentage-based fees may apply depending on the type of advice you need. These fees will be agreed upfront between you and the adviser.
- ◆ The GoalTracker investment option is a new option and therefore, the indirect costs are reasonable estimates based on the information available as at the date the Guide was issued.

WARNING:

Additional fees may be paid out of your superannuation account to an external financial adviser for advice in relation to your iQ Super membership. This fee will be a dollar amount or percentage-based fee as agreed between you and your adviser and set out in a Statement of Advice provided to you by your adviser.

5.1. Example of annual fees and costs for the GoalTracker option

The table below provides an example of how the fees and costs in the GoalTracker option of iQ Super can affect your superannuation investment over a one year period.

You should use this table to compare this product with other superannuation products. As noted on this document, fees and costs can be paid directly from your account, or deducted from your investment returns.

Example: GoalTracker		Balance of \$50,000*
Investment fees:	0.36% p.a. of your account balance.	For every \$50,000 you have in this option, you will be charged \$180.00 each year.
PLUS Administration fees:	0.58% p.a. of your account balance. Plus \$78.00 p.a. (\$6.50 per month).	And, you will be charged \$290.00 in administration fees. Plus, a fixed-dollar fee of \$78.00 p.a. regardless of your balance. <i>The Trustee passes on the tax deductions it receives so the actual amount deducted from your account would be \$246.50 p.a. Plus, a fixed-dollar fee of \$66.30 p.a..</i>
PLUS Indirect costs for the GoalTracker option	0.24% p.a. of your account balance.	And, each year an indirect cost of \$120.00 will be deducted from your investments.
EQUALS Total cost of product		If your balance is \$50,000, then for that year you will be charged fees of \$668.00 [^] for the superannuation product. <i>The Trustee passes on the tax deductions it receives so the estimated cost to you would be \$612.80 p.a.</i>

Important note:

- For more information on the fees and costs related to the investment options, please refer to your Investment Guide.
- For the 'Additional explanation of fees and costs' and a list of Defined Fees as per superannuation law, please refer to your Super Guide.

[^] Additional fees may apply.

