

Fact Sheet: Your super and insurance when leaving an employer



It's possibly a big decision, but the time has come for you to leave your employer. While there's plenty to think about and plan for, it's also important to be mindful about what will happen to your superannuation benefits and insurance cover.

Leaving your employer is usually the kind of life event that brings a significant change to your life. However, one thing that doesn't need to change is your super account—here's why.

What to expect

From the date you officially leave your employer, you will no longer be a member of your employer's super plan, but your iQ Super™ account is designed to go with you to your next job¹, or if you're retiring from full time work, we can help you retire on your terms with an iQ Retirement™ account².

Generally, when you leave your employer, they will notify us, in writing, of the date you ceased employment with them. Occasionally, it may take up to two months for your employer to notify us, but usually it happens more quickly.

Once we receive this notification, we will set up a new iQ Super – For Life account for you.³ iQ Super – For Life offers members a range of investment options and is compliant with MySuper, which is an Australian Government initiative designed to provide simple and cost-effective super products. For more information, read the iQ Super – For Life Product Disclosure Statement (PDS) available at russellinvestments.com.au/iqsuperforlifepds

Your new employer can start making contributions at any time. Your member number and password will remain the same, so you will continue to have uninterrupted access to your online account.

Fees

You will be paying all on-going fees (which may previously have been paid, or subsidised, by your employer).

Investments

If you are a Defined Contribution member⁴ on transfer to iQ Super – For Life, your money will continue to be invested in the same way it was before the transfer.

If you are a Defined Benefit member⁵ on transfer to iQ Super – For Life, your Defined Benefit component will be invested in the Australian Cash Option until you make an alternative investment choice. If you have member investment choice accounts, these will continue to be invested in the same way as before the transfer.

If you are a MySuper member, any future investments you make will be invested in the GoalTracker Option.

Insurance

Since you will no longer be a member of your employer's super plan, you will not be covered by the insurance arrangements of that super plan.

However, your replacement insurance cover in iQ Super – For Life will start from the day after you leave your employer, even though we are notified of your termination later. This is to make sure there's no potential 'gap' in insurance cover between the date you leave employment and the date we are notified of your termination. We want to make sure that your protection continues, especially after the insurance arrangements provided by your employer no longer apply.

Connecting you with the right advice

From phone-based to face-to-face options, our advice offer is designed to help you maximise your financial position.

We offer expert, phone-based advice on a single super-related issue, as well as Retire Ready meetings for those looking to retire in the next five years—both at no cost to you.

If you want advice on your full financial picture, including investments outside super, we offer personal financial planning. We've partnered with senior financial advisers who are committed to helping you meet your goals. Your first meeting is free.

If you need more information, please visit russellinvestments.com.au/advice

We're here to help

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¹ You will need to check with your future employer on whether you can choose your super fund.

² For more information, please go to russellinvestments.com.au/retirementpds

³ If you're a member of the Harwood Superannuation Plan and you leave your employer, we will set up a new account for you in the iQ Super – For Life division and the same rules on insurance apply. If you're a member of Resource Super and you leave your employer, we will set up a new account for you in the Resource Super – Retained division and the same rules on insurance apply.

⁴ You're a Defined Contribution member, if you belong to a fund where you and your employer make regular contributions, which accumulate and, when invested, generate earnings. It's called 'defined contribution,' because the contributions from your employer are generally specifically defined (e.g. superannuation guarantee contribution).

⁵ You're a Defined Benefit member, if your retirement benefit is calculated by a predetermined formula that usually takes into account your average salary and your years of service.

- **If you're 25 years or older and have a balance of \$6,000 or more...**

...your existing insurance cover will continue under a different insurance arrangement within iQ Super – For Life, without the need for you to provide any health evidence. Although the amount of insurance cover will not be less than what you had in your employer's super plan, different terms and conditions may apply (including the payment of insurance fees).

- **If you're younger than 25 years or your balance is less than \$6,000...**

...and you have not previously confirmed you wish to keep cover, insurance cover will not be transferred automatically when you join iQ Super – For Life. You will need to apply/opt in for cover. You can opt in to keep your cover anytime online or complete an Insurance Opt-in Form available at russellinvestments.com.au/forms

- **If you have no cover on the date of leaving your employer...**

...there will be no cover issued to you upon transfer to iQ Super – For Life. 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.

For more information on your replacement Death, Total and Permanent Disablement (TPD) and Income Protection cover, please read the iQ Super – For Life Product Disclosure Statement (PDS), available at russellinvestments.com.au/iqsuperforlifepds

Important!

If you do not want the replacement insurance cover to continue in your iQ Super – For Life account, it is important that you opt out of it on leaving your employer (see the 'Opting out of insurance cover' section on how to opt out). Unless you opt out, the iQ Super – For Life insurance fees will apply and will be backdated to when you left your employer.

Who pays the insurance fees?

In iQ Super – For Life, you do. And since your replacement insurance cover starts on the day after you leave your employer, the first insurance fee deducted from your iQ Super – For Life account will cover the period from that date until the end of the month in which we deduct the fee.

Occupation categories

When you join iQ Super – For Life, your occupation is automatically classified by the insurer as Blue Collar. However, you may be eligible to apply for another occupation category (White Collar or Professional) with lower insurance fees than those which apply for the Blue Collar occupation category.

If you believe you may qualify for a different occupation category, you can apply to the insurer to change your occupation category by logging in to your online account and selecting the 'Manage your insurance' option or by completing an Occupation Category Form available at russellinvestments.com.au/forms

The table below provides a description of the three occupation categories.

OCCUPATION 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.
White Collar	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).
Blue Collar	Anyone who does not qualify as Professional or White Collar.

Opt in to maintain your cover if your account becomes inactive

If your account is inactive for 16 months, we are required by law to cancel your insurance cover, unless you have opted in to maintain your cover. (Your account is inactive if no contributions or rollovers have been paid into it for 16 months).

You can opt in to maintain your cover at any time online at russellinvestments.com.au/login or by completing an Insurance Opt-in Form available at russellinvestments.com.au/forms

Opting out of or changing your insurance cover

You can always opt out of or change your insurance cover by completing an Insurance Request Form available at russellinvestments.com.au/forms. We will confirm receipt of your instructions in writing and advise you of the date your Insurance fees will be reduced or cancelled.

The effective date of any cancellation is the date your request is processed. Requests to restart or increase insurance will be subject to evidence of health and insurer acceptance.

Once your iQ Super – For Life account is set up, you also have the option to opt out of or change your insurance arrangements (including occupation category) by logging in to your online account and selecting the 'Manage your insurance' option.

If you cancel your insurance cover, you will need to go through the underwriting process to have your insurance cover reinstated subject to the insurer's approval.

We are here to help

To find out more about iQ Super – For Life, please read the Product Disclosure Statement (PDS) online at russellinvestments.com.au/iqsuperforlifepds, call us on **1800 555 667** or email us at iq@russellinvestments.com.au

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