



Super Informed

Defined Benefit Division

This special edition of *Super Informed* forms a Significant Event Notice.

ABOUT THIS BOOKLET

We've set out the main features of the external insurance cover for Defined Benefit Division (DBD) members from 3 January 2015, including a summary of the key conditions and eligibility criteria, and we outline the changes to your inbuilt cover on transfer to Accumulation 2. Insurance cover may be subject to other conditions set out in the group insurance policies. You will be able to request a copy of the new group insurance policies containing the full terms and conditions from 3 January 2015 at our *My Insurance* webpage, www.unisuper.com.au/my-insurance, or by calling us on **1800 029 810**.

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In this booklet:

- UniSuper Ltd (ABN 54 006 027 121) is referred to as UniSuper or the Trustee
- UniSuper Management Pty Ltd (ABN 91 006 961 799, AFSL No. 235907) is referred to as the Administrator
- UniSuper (ABN 91 385 943 850) is referred to as UniSuper or the Fund.

This booklet has been prepared by the Administrator on behalf of the Trustee and is current as at the date it was prepared. To the extent that it contains any information that is inconsistent with the Group Life Insurance Policy and the Group Salary Continuance Policy (collectively referred to as the Group Insurance Policies) that will be issued to the Trustee by TAL Limited with an effective date of 3 January 2015, the Group Insurance Policies will prevail.

The Administrator of the Fund is licensed to provide financial advice, which is provided under the name of UniSuper Advice. UniSuper Advice is a service dedicated to UniSuper members and their spouses which is provided by UniSuper Management Pty Ltd, the entity licensed to provide financial advice. For further information about UniSuper Advice, please visit the UniSuper website at www.unisuper.com.au, access the *Financial Services Guide* and, for any further enquiries, contact the UniSuper Helpline on 1800 331 685.

The information in this booklet is of a general nature only and includes general advice. It has been prepared without taking into account your individual objectives, financial situation or needs. Before making any decision in relation to your UniSuper membership, you should consider your personal circumstances, the relevant product disclosure statement (PDS) for your membership category and whether to consult a licensed financial adviser.

To obtain a copy of the PDS relevant to your membership category, visit the UniSuper website at www.unisuper.com.au or contact the UniSuper Helpline on 1800 331 685.

Before we get started ...

Hello and welcome to this special edition of *Super Informed*.

From time to time at UniSuper, there is a significant change to the products we provide to you, and we are required to send you a 'significant events notice'—this booklet.

The changes that will affect you, as a Defined Benefit Division (DBD) member are:

- an increase in fees as a result of our annual fee review
- a range of enhancements to our external insurance offering
- an increase to the premiums charged by our Insurer, TAL Life Limited (TAL)
- some changes to the Accumulation 2 product that you need to be aware of if you're in your 24-month election period or you use your defined benefit component as part of a transition to retirement strategy.

All these topics are discussed in this booklet and we encourage you to read it carefully.

Due to 'Stronger Super' legislative changes, UniSuper will no longer be allowed to self-insure benefits for accumulation members. This means inbuilt benefits for Accumulation 2 members will cease and they will instead be provided with insurance cover through our Insurer on 3 January 2015. We refer to this change from inbuilt benefits to external insurance cover as 'the transition'.

Important



While the inbuilt benefits of Defined Benefit Division (DBD) members are unaffected by the transition, the change for Accumulation 2 members is significant. As a DBD member, you need to be aware of these changes, particularly if you're in your 24-month election period and are considering moving to Accumulation 2 membership. It's therefore important that you read this edition of *Super Informed*, and in particular, the section titled 'If you transfer to Accumulation 2 ...' on pages 10-13, which explains the changes that will affect you if you transfer to Accumulation 2. You can also obtain the *Insurance information for DBD members transferring to Accumulation 2* fact sheet at www.unisuper.com.au/my-insurance



CHECK THE GLOSSARY

Insurance—and super generally—can be complex, and this edition of *Super Informed* contains a number of technical terms that you might not be familiar with.

We've italicised a number of these terms throughout this booklet—see the Glossary on page 17 for more information.

We're here to help

We understand that you might have questions—or want to talk to someone about your options. Please refer to the list below for the information or support you need:

- To speak to a Member Services Consultant, call **1800 029 810** or email enquiry@unisuper.com.au
- For information on your inbuilt benefits, refer to the *Defined Benefit Division and Accumulation 2 Product Disclosure Statement (PDS)* available at www.unisuper.com.au/pds
- If you are in your 24-month election period, please read the *Insurance information for DBD members transferring to Accumulation 2* fact sheet, available at www.unisuper.com.au/my-insurance
- To meet with an On-Campus Consultant, check your employer's tab on our website to see if they offer this service and follow the links to make a booking.
- If you'd like to consider receiving financial advice from a UniSuper Adviser, call our Member Services team on **1800 029 810** or email enquiry@unisuper.com.au.
- To attend a live 40-minute webinar (online seminar) during which we'll explain the changes in more detail and answer questions, check www.unisuper.com.au/webinars for session details or to register.

Thank you for your continued support,

Kevin O'Sullivan, CEO

Changes to fees and costs



Following an annual review of our fees and costs, the following fee and cost changes will apply from 1 January 2015.

FEE NAME	FEE PRIOR TO 1 JANUARY 2015	FEE FROM 1 JANUARY 2015
Administration fee*	\$213 per annum	\$218 per annum
Switching fee	The first investment switch per account in each financial year is free of charge. All subsequent switches are charged a fee of \$20 per switch.	The first investment switch per account in each financial year is free of charge. All subsequent switches will be charged a fee of \$16.50 per switch.

* Please note this fee is allowed for in the formula to calculate your benefit and is not deducted directly from your account.

Product enhancements from 3 January 2015

Although DBD members will not have their inbuilt benefits affected by the insurance changes in the same way as Accumulation 2 members, you may benefit from a number of enhancements being made to the external insurance cover that is available to DBD members.

Managing your insurance cover online

We're increasing your ability to manage your external insurance cover. At the moment, MemberOnline only allows you to apply for new or additional cover. From 3 January 2015, you'll also have the flexibility to dial down or cancel your level of cover.

You'll also be able to use MemberOnline to apply to transfer to UniSuper any existing Death or Total & Permanent Disablement (TPD) insurance cover you may have with another super fund. (Note, however, that if you have Income Protection cover in another fund, as a DBD member you will not be able to transfer it to UniSuper.) Applying to transfer cover online is generally quicker than having to fill out a paper application form and can avoid the delays often associated with using regular mail.

Transferring cover to UniSuper is subject to you meeting a number of conditions including:

- you agree to cancel the cover you have with the other super fund
- you transfer your total account balance from the other super fund to UniSuper
- at the date you make the application to transfer cover you are gainfully employed and physically capable of undertaking gainful employment for at least 30 hours a week, and
- you have properly completed the application form and provide any other documentation we require to transfer the cover.

Remember, you can also apply for insurance cover over the phone by calling us on **1800 029 810**. And of course, any of this can still be done by filling in a paper application form.

Introducing TPD-only insurance cover

Currently, DBD members with external cover can only have Death-only cover, or Death and TPD cover in addition to any inbuilt benefits you may have. From 3 January 2015, we'll be introducing the option to have TPD-only cover as well. In addition, any TPD cover you have will be able to exceed the amount of external Death cover you have. The maximum amount of TPD cover you have can't exceed \$3 million.

OPTING OUT?

If you want to opt out of external Death or TPD cover, from 3 January 2015 you'll be able to opt out of one or the other independently. Currently, this isn't possible. See page 7 for information on the cost of cover.

Expanded Life Events cover

UniSuper provides a straightforward process for increasing your Death and TPD cover, Death-only cover or TPD-only cover, as applicable, if you:

- purchase a home for your permanent residence and take out a mortgage on that residence
- get married, or
- either you or your partner give birth to or adopt a child.

From 3 January 2015, we're pleased to offer an expanded range of circumstances in which you may apply for Life Events cover. These are:

- commencing a de facto relationship
- getting divorced or terminating a de facto relationship
- having a dependent child starting tertiary education, or
- the death of a spouse (including a de facto spouse).



The eligibility requirements described on page 37 of the current *Defined Benefit Division and Accumulation 2 PDS* (available from www.unisuper.com.au/pds) continue to apply to Life Events cover, but an additional eligibility requirement also applies: a member must not have applied for Life Events cover in respect of the same life event.

For example, if you have previously married and successfully applied for Life Events cover, you will be eligible to apply again if you are married for a second time to a different person.

EVIDENCE REQUIRED

As always, if you wish to apply for Life Events cover under one of our new range of circumstances, you will need to provide evidence as shown in the table opposite. If you want to apply for Life Events cover, please read the *Life Events cover* fact sheet and form available at www.unisuper.com.au.

LIFE EVENT	EVIDENCE REQUIRED	TIME LIMIT
Commencement of a de facto relationship	Statutory declaration form	90 days after the commencement of the relationship
Divorce or termination of a de facto relationship	One of the following: - for legal marriages, divorce orders - for de facto, Statutory declaration form	90 days after: - the date of divorce - the effective date of the termination of the relationship
Death of a spouse, including a de facto	Death Certificate	90 days from the death of the person
Dependent child starting tertiary education	Enrolment details or acceptance letter from the tertiary institution	90 days from starting at the tertiary institution

Insurance premiums for external insurance

Increase in premiums for external insurance

You may be aware that insurance premiums have increased across the superannuation industry over the past 12 months, reflecting an increased level of claims, the increased costs of administering insurance and increases in State Government stamp duty rates. While UniSuper and our Insurer are not immune to these effects, we have been able to limit premium increases for external Death and TPD cover. New higher premium rates will apply to any external insurance cover you may have from 3 January 2015. These premiums are deducted from your accumulation component.

This has no impact on your inbuilt benefits as a DBD member, as the charges for inbuilt benefits are allowed for in the formula used to calculate your defined benefit—no additional deductions are made from your contributions or your final benefit to provide for your inbuilt benefits.

Revised premium rates for unitised cover are outlined in the table on this page. Revised premium rates for fixed cover are shown in the table on page 9. If you currently have existing external Death and TPD cover through our Insurer, the revised premium rates represent an **increase in premium** costs you will pay from 3 January 2015.

Premium structure and rates for unitised external Death and TPD, Death-only and TPD-only cover

Currently our Insurer has two separate premium rates depending on whether you have combined external Death and TPD cover or Death-only cover. To give members more flexibility and control over the type and level of cover they have, from 3 January 2015 our Insurer will be introducing three different premium rates: one for Death-only cover, one for TPD-only cover and another for combined Death and TPD cover. The premium rate for combined Death and TPD cover will be discounted and therefore will be lower than the sum of the separate Death-only and TPD-only premium rates (see table below).

The discounted premium will be calculated automatically when you have an equal number of Death and TPD units, with any additional Death or TPD units calculated at the Death-only or TPD-only rate, as applicable.

The examples overleaf illustrate how the new premium rates and structure will apply from 3 January 2015.

	Death -only	TPD -only	Death and TPD
Current pricing per unit per week [#]	\$1.00	n/a	\$1.60
New pricing per unit per week [#]	\$1.08	\$0.89	\$1.76

[#] Premiums shown include an administration fee of 11% of the insurance premium charged by TAL to cover the costs associated with administering the insurance arrangements. The administration fee is inclusive of GST and the benefit of any tax credits that are applicable to the Trustee. Please note, insurance premiums are not fixed and can be expected to change from time to time. Members will be given written notice of any changes.

How the new premium rates and structure will apply from 3 January 2015: examples

Example 1: A member requires three units of Death cover and four units of TPD cover. Based on the pricing table on page 7, the member would be charged the:

- discounted price for three units of Death and TPD cover, and
- price of 1 unit of TPD-only cover

Insurance	Death	TPD	Death and TPD	Total
	n/a	1 unit	3 units	
Cost per week	n/a	\$0.89 x 1 =\$0.89	\$1.76 x 3 =\$5.28	\$6.17

Example 2: A member requires four units of Death cover and three units of TPD cover. Based on the pricing table on page 7, the member would be charged the:

- discounted price for three units of Death and TPD cover, and
- price of 1 unit of Death-only cover

Insurance	Death	TPD	Death and TPD	Total
	1 unit	n/a	3 units	
Cost per week	\$1.08 x 1 =\$1.08	n/a	\$1.76 x 3 =\$5.28	\$6.36

Premium structure and rates for fixed external Death and TPD, Death-only and TPD-only cover

If you don't want your insurance cover to reduce each year, you can retain a fixed level of cover. Fixed cover allows you to choose the level of cover you want in multiples of \$1,000. Your chosen level of cover will not vary according to your age and will remain the same each year until you reach age 75 for Death-only cover, or age 70 for TPD cover.* Your premium will, however, increase each year according to your age. If you wish to fix your cover, download the *Fixed insurance cover* fact sheet and form available on our website. The fixed cover annual premium rates will increase on 3 January 2015 and the table on page 9 shows the annual premium cost per \$1,000 of fixed Death and/or TPD insurance cover that will apply.

How fixed cover costs are calculated: an example

Suzie is 55 years old and wants to make sure she has \$250,000 of Death and TPD cover. As she will be 56 on her next birthday, she must use the premium rate for '56' (see opposite).

At age 56 next birthday, to have \$250,000 in Death & TPD cover, Suzie will pay premiums of \$15.72 per week.

Here's how she works out the weekly cost of her fixed cover premiums:

$$(\$250,000 \div 1000) \times (\$3.27 \div 52 \text{ weeks}) = \$15.72$$

Note: Suzie's premiums will increase as she gets older, and her TPD cover will be subject to a reducing scale from age 61.



FIND OUT MORE

You can find the current fixed cover annual premium rates in the *Defined Benefit Division and Accumulation 2 Product Disclosure Statement (PDS)* available at www.unisuper.com.au/pds

* Fixed cover is subject to a reducing scale from age 61. For more information, refer to the updated DBD and Accumulation 2 PDS from 3 January 2015.

FIXED COVER ANNUAL PREMIUM RATES [#] PER \$1,000 INSURED BENEFIT FROM TRANSITION DAY							
Age (next birthday)	Death- only (\$)	TPD-only (\$)	Death and TPD (\$)	Age (next birthday)	Death- only (\$)	TPD-only (\$)	Death and TPD (\$)
15-35	0.24	0.20	0.40	56	2.02	1.65	3.27
36	0.26	0.21	0.41	57	2.18	1.78	3.53
37	0.28	0.22	0.43	58	2.35	1.93	3.83
38	0.29	0.23	0.47	59	2.50	2.05	4.07
39	0.31	0.26	0.51	60	2.68	2.21	4.37
40	0.34	0.29	0.56	61	2.96	2.43	4.83
41	0.38	0.31	0.61	62	3.31	2.72	5.39
42	0.42	0.36	0.69	63	3.75	3.09	6.12
43	0.48	0.39	0.77	64	4.02	3.31	6.56
44	0.53	0.44	0.88	65	4.33	3.55	7.06
45	0.61	0.50	0.98	66	4.90	4.02	7.98
46	0.67	0.54	1.08	67	5.63	4.62	9.18
47	0.74	0.61	1.19	68	6.25	5.14	10.20
48	0.83	0.69	1.35	69	7.04	5.77	11.48
49	0.92	0.75	1.48	70	8.03	6.60	13.11
50	1.02	0.84	1.67	71	9.37	n/a	9.37 [^]
51	1.15	0.94	1.88	72	11.24	n/a	11.24 [^]
52	1.25	1.03	2.04	73	14.05	n/a	14.05 [^]
53	1.41	1.15	2.30	74	17.56	n/a	17.56 [^]
54	1.57	1.29	2.55	75	22.48	n/a	22.48 [^]
55	1.75	1.44	2.86				

[#] Premiums shown include an administration fee of 11% of the insurance premium charged by TAL to cover the costs associated with administering the insurance arrangements. The administration fee is inclusive of GST and the benefit of any tax credits that are applicable to the Trustee. Please note, insurance premiums are not fixed and can be expected to change from time to time. Members will be given written notice of any changes.

[^] Death-only paid; no TPD benefit after age 70 next birthday.

If you transfer to Accumulation 2 ...



Please note the changes in this section will only affect you if you are within your 24-month election period or thinking about using your defined benefit component to implement a transition to retirement strategy. Please ensure that you read the *Insurance information for DBD members transferring to Accumulation 2* fact sheet available at www.unisuper.com.au/my-insurance before you make any decisions about your options.

As you're aware, eligible UniSuper members join as DBD members, then have the option of transferring to Accumulation 2 within the first 24 months of their DBD membership.

Currently, members who transfer to Accumulation 2 are provided the same inbuilt benefits as DBD members.

However, from 3 January 2015, inbuilt benefits will no longer be available to Accumulation 2 members. Instead, Accumulation 2 members will receive external Death, TPD and Income Protection cover through our Insurer, subject to eligibility criteria.

The table on the next page provides a high level summary of the changes for Accumulation 2 members. You should also be aware that a *pre-existing condition (PEC)* restriction will apply on all or some of the cover that Accumulation 2 members receive from 3 January 2015. For more information about the changes, including the way

the inbuilt benefits will be transitioned to external cover and how the PEC restriction will apply refer to the *Insurance information for DBD members transferring to Accumulation 2* fact sheet available at www.unisuper.com.au/my-insurance.

This change to the way insurance is provided is something you should take into account when making your decision to either remain a DBD member or transfer to Accumulation 2. There are other important factors that you should consider, including investment choice.

For information to help make your decision:

- refer to the *Defined Benefit Division and Accumulation 2 PDS*
- read the *Insurance information for DBD members transferring to Accumulation 2* fact sheet, and
- visit www.unisuper.com.au/choose

Should you transfer to Accumulation 2 before 3 January 2015, your inbuilt benefits will cease on 3 January 2015 and you will be provided with insurance cover through our Insurer subject to eligibility. If you transfer to Accumulation 2 after 3 January 2015, your inbuilt benefits will be converted to insurance cover through our Insurer when transferring to Accumulation 2.

An overview of the insurance changes for Accumulation 2 members

Here's a brief overview of the changes occurring to the way we provide insurance for Accumulation 2 members from 3 January 2015:

INBUILT BENEFITS (PROVIDED TO DBD MEMBERS)	EXTERNAL INSURANCE COVER (PROVIDED ON TRANSFER FOR ELIGIBLE ACCUMULATION 2 MEMBERS)	WHAT DOES THIS MEAN FOR ACCUMULATION 2 MEMBERS?
Death benefit up to age 60 ↳ Paid as a lump sum	Death cover up to age 75 ↳ Paid as a lump sum	↳ They will have cover for an extra 15 years ↳ The value of their Death cover on conversion will be the same or better than their inbuilt Death benefit
Disablement benefit to age 65 ↳ Paid as an income stream ↳ The benefit is calculated based on a formula	TPD cover to age 70 ↳ Paid as a lump sum ↳ The level of cover will be equivalent to the external Death cover received on transferring to Accumulation 2	↳ This is a significant change to their benefits. Their TPD benefit will be paid as a lump sum instead of as an income stream ↳ It's difficult to compare a long term income stream with a lump sum benefit. The lump sum TPD benefit may be more or less beneficial than the inbuilt disablement benefit depending on your personal circumstances ↳ Accumulation 2 members will have the flexibility to increase or decrease their TPD cover or opt out of it all together ↳ The cover period will be longer
Temporary incapacity ↳ Paid as an income stream for a maximum of two years with a waiting period of 90 days	Income Protection ↳ Paid as an income stream with a default benefit period of five years and a default waiting period of 90 days	↳ If Accumulation 2 members are in <i>active employment</i> , they'll have the flexibility to choose the benefit payment period (two years, five years or to age 65) and waiting period (30, 60 or 90 days) that suits them ↳ Any change in the waiting and/or benefit period will result in a change in the cost of cover
Charges for inbuilt benefits are allowed for in the formula used to calculate your defined benefit—no deductions are made from your contributions or your final benefit	Cost of external Death and TPD cover is based on your age and the number of units of cover (Members with existing fixed external insurance cover will have any Death and TPD cover converted to a fixed dollar amount) Cost of Income Protection cover will be based on your age, the benefit and waiting period, and the number of units of cover	↳ The premiums for external cover will be calculated differently to the charges Accumulation 2 members currently pay for inbuilt benefits ↳ Please refer to the <i>Insurance information for Defined Benefit Division members transferring to Accumulation 2</i> fact sheet available at www.unisuper.com.au/my-insurance for further information about premiums
Benefits can continue for 90 days after ceasing employment	Cover can continue after ceasing employment, provided members continue to meet eligibility criteria	↳ Accumulation 2 members can keep their cover after they leave their job so long as they remain a UniSuper member and have sufficient funds in their account to cover premiums

So what does this actually mean for you?

The table below outlines at a high level what these changes could mean for DBD members in their 24-month election period or who use their defined benefit component to purchase a Flexi Pension under transition to retirement rules. To find out more, you can visit the 'My Insurance' webpage at www.unisuper.com.au/my-insurance

IF YOU	...THEN
<ul style="list-style-type: none"> are a DBD member who elected to stay in the DBD, or you don't choose to move to Accumulation 2 membership within your 24 month election period ... 	<ul style="list-style-type: none"> your inbuilt benefits will be unaffected.
<ul style="list-style-type: none"> are a DBD member with external unitised insurance cover with our Insurer—or you have no external insurance and you either choose to become an Accumulation 2 member or use any part of your defined benefit component to purchase a Flexi Pension under transition to retirement rules ... 	<ul style="list-style-type: none"> any existing unitised insurance cover you have with our Insurer will be maintained, and your inbuilt benefits will be converted to unitised Death, TPD and Income Protection cover, subject to eligibility criteria. your inbuilt death benefit will be converted into the number of units of external Death cover which provides at least the same level of cover, rounded up to the nearest unit. your inbuilt disablement benefits will cease and be replaced with unitised TPD cover, equivalent to your converted Death cover. your temporary incapacity benefits will be replaced by Income Protection cover which is calculated differently. a <i>pre-existing condition (PEC)</i> restriction will apply to all or some of your cover. <p>See the <i>Insurance information for DBD members transferring to Accumulation 2</i> fact sheet available from www.unisuper.com.au/my-insurance for details and examples of how this will work.</p>
<ul style="list-style-type: none"> are a DBD member with fixed insurance cover with our Insurer and you either choose to become an Accumulation 2 member or use any part of your defined benefit component to purchase a Flexi Pension under transition to retirement rules ... 	<ul style="list-style-type: none"> your existing fixed insurance cover with our Insurer will be maintained, and your inbuilt benefits will be transitioned to fixed Death and TPD cover, rounded up to the nearest \$1,000 and added to any existing fixed cover. Income Protection cover is unitised. You will receive the number of units that will provide at least 75% of your salary, plus up to 10% super.

I'm in my 24-month election period and would like to find out more information about these changes

These changes are significant and it's important that you're fully informed before you make any decisions about your membership. To find out more, please see the *Insurance information for DBD members transferring to Accumulation 2* fact sheet available at www.unisuper.com.au/my-insurance

The *Defined Benefit Division and Accumulation 2 PDS* will be updated to reflect these changes from 3 January 2015. Alternatively, please call our Member Services team on **1800 029 810** or email enquiry@unisuper.com.au.

We're changing how external insurance cover is reinstated or recommences after it ceases



COVER THAT CEASES BEFORE 3 JANUARY 2015

Until 2 January 2015, if your external cover ceases* but is then reinstated within 180 days, there is a gap in cover for the period between when your cover ceased and when it was reinstated. We will charge premiums for the reinstated insurance from the date cover was reinstated.

COVER THAT CEASES AFTER 3 JANUARY 2015

From 3 January 2015, if your external cover ceases, it may be reinstated or recommenced depending on whether an employer contribution is received into your account and your accumulation component reaches \$2,000 **within 180 days** or after 180 days of cover ceasing. Please note that the existing rules will apply if your cover ceases prior to 3 January 2015 and it is reinstated or recommenced after 3 January 2015.

* Your cover may cease because:
a) your accumulation component is less than \$2,000 and no contribution or rollover has been received into your account for 12 consecutive months, or
b) you have insufficient funds in your accumulation component to pay for your insurance premiums.

If you satisfy the conditions within 180 days of cover ceasing

From 3 January 2015, if we receive an employer contribution and your accumulation component reaches \$2,000 within 180 days of your cover ceasing, your cover will be reinstated from the date it originally ceased to the same level and type of cover it was previously, provided that:

- ...❖ you are in *active employment* on the date that your cover is reinstated;
- ...❖ you are not applying, entitled to or have been paid a TPD benefit under any superannuation or insured benefit arrangement (if you don't satisfy this criterion you will only be eligible for Death-only cover); and
- ...❖ you are not applying for, entitled to or have been paid a terminal illness benefit under any superannuation or insured benefit arrangement (if you don't satisfy this criterion you will not be eligible for any Death-only, TPD-only or Death and TPD cover at all).

If you satisfy the conditions after 180 days of cover ceasing

From 3 January 2015, if we receive an employer contribution into your account and your accumulation component balance reaches \$2,000 after 180 days of your insurance originally ceasing, your cover will recommence provided that:

- ...❖ your accumulation component is \$2,000 or more within 180 days of UniSuper receiving the employer contribution;
- ...❖ you are in *active employment* on the date that your cover recommences;
- ...❖ you are not applying for, entitled to or have been paid a TPD benefit under any superannuation or insured benefit arrangement (if you don't satisfy this criterion you will only be eligible for Death-only cover); and
- ...❖ you are not applying for, entitled to or have been paid a terminal illness benefit under any superannuation or insured benefit arrangement (if you don't satisfy this criterion you will not be eligible for any Death-only, TPD-only or Death and TPD cover at all).

Your cover will recommence on the later of the date we receive the employer contribution and the date your accumulation component reaches \$2,000.

If your accumulation component does not reach \$2,000 within 180 days of UniSuper receiving the employer contribution, your cover will not recommence. You will, however, be able to apply for insurance cover but you will need to go through our Insurer's full underwriting process.

Upon recommencement you will be provided with one unit of Death cover and, for 12 months only, one unit of TPD cover with a 12-month *pre-existing condition (PEC)* restriction attached.

Provided you are in *active employment* after the 12-month period, the 12-month PEC restriction will no longer apply and you will have one unit of standard Death and TPD cover.

In all other circumstances where your cover ceases, you can only recommence your cover by making an application to our Insurer and going through the underwriting process.

Reinstated or recommenced cover is subject to the terms, conditions or restrictions the insurer considers appropriate at the time of reinstatement or recommencement. The table opposite shows how the current rules work and how the new rules will work.

CURRENT RULES TO CONTINUE IF YOUR EXTERNAL COVER CEASES PRIOR TO 3 JANUARY 2015	NEW RULES TO BE APPLIED IF YOUR EXTERNAL COVER CEASES FROM 3 JANUARY 2015 ONWARDS
Reinstatement rules	
<p>For cover to be reinstated the following needs to be satisfied:</p> <ul style="list-style-type: none"> → Employer contribution is received within 180 days of cover ceasing → You are in active employment when cover is reinstated → You have not applied for or not entitled to or have not been paid a TPD benefit, and → You have not applied for or are not entitled to or have not been paid a terminal illness benefit. 	<p>For cover to be reinstated the following needs to be satisfied:</p> <ul style="list-style-type: none"> → Employer contribution is received and your accumulation component reaches at least \$2,000 within 180 days of cover ceasing → You are in active employment when cover is reinstated → You have not applied for or are not entitled to or have not been paid a TPD benefit, and → You have not applied for or are not entitled to or have not been paid a terminal illness benefit.
<p>Cover is reinstated to the previous level and type from the date the employer contribution is received.</p>	<p>Cover is reinstated to the previous level and type from the date cover ceased including any remaining period left on the PEC restriction criteria that existed prior to cover ceasing.</p>
Recommencement rules	
<p>For cover to recommence the following need to be satisfied:</p> <ul style="list-style-type: none"> → An employer contribution is received after 180 days of cover lapsing → You are in <i>active employment</i> when cover recommences → You have not applied for or are not entitled to or have not been paid a TPD benefit, and → You have not applied for or are not entitled to or have not been paid a terminal illness benefit. 	<p>For cover to recommence the following need to be satisfied:</p> <ul style="list-style-type: none"> → An employer contribution is received and your accumulation component is at least \$2,000 after 180 days of cover ceasing. Note your accumulation component balance must reach \$2,000 within 180 days of your employer contribution being received → You are in <i>active employment</i> when cover recommences → You have not applied for or are not entitled to or have not been paid a TPD benefit, and → You have not applied for or are not entitled to or have not been paid a terminal illness benefit.
<p>Cover recommences on the date the employer contribution is received. Cover on recommencement is:</p> <ul style="list-style-type: none"> → One unit of Death cover → One unit of Limited TPD cover for 12 months which becomes full TPD cover on the date you are in <i>active employment</i> after the end of the 12-month period. 	<p>Cover recommences on the later date of the employer contribution being received or your accumulation component reaching at least \$2,000. Cover on recommencement is:</p> <ul style="list-style-type: none"> → One unit of Death cover → One unit of TPD cover with a 12-month PEC → Death and TPD cover can both be increased but will be subject to full underwriting.

Reinstated or recommenced insurance cover: an example



Flynn has two units of Death and TPD insurance cover that ceased because his accumulation component was too low to pay insurance premiums on 1 June 2015. In order to have insurance cover again, Flynn needs to have an accumulation component of \$2,000 or more and be at work so that an employer contribution is received into his account.

- If an employer contribution was received on 31 July 2015 and a rollover was received on 31 August 2015 which caused his accumulation component to exceed \$2,000, Flynn has satisfied both conditions **within** 180 days of his insurance cover ceasing. Flynn's two units of Death and TPD insurance cover would be reinstated as though his cover had not ceased on 1 June 2015. When this happens, insurance premiums will be charged back to 1 June 2015.
- If an employer contribution is received on 31 July 2015 and a rollover is received on 31 December 2015, causing his accumulation component to exceed \$2,000, Flynn has satisfied both conditions **after** 180 days of his insurance cover ceasing and his insurance would recommence on 31 December 2015. Flynn would not automatically have the same cover again—instead, he'd receive one unit of Death insurance cover and one unit of TPD insurance cover that has a 12-month PEC restriction. When this happens, insurance premiums will be charged from the date this cover commenced. Flynn will not be covered during the period his insurance cover had ceased.
- If an employer contribution is received on 1 January 2016 and a rollover causing Flynn's account balance to exceed \$2,000 is received on 1 August 2016, even though Flynn has satisfied both conditions **after** 180 days of his insurance cover ceasing, his account balance did not exceed \$2,000 within 180 days of his employer contribution. Flynn would not be eligible for insurance cover to recommence and would have to go through our Insurer's underwriting process if he wanted insurance cover.

Other important information you need to know

RESTRICTIONS TO YOUR EXTERNAL COVER

On 3 January 2015, members with existing Limited TPD cover will continue to serve out the balance of their limited cover period. Refer to the existing *Defined Benefit Division and Accumulation 2 PDS* for more information about limited cover.

However, from 3 January 2015 a 12-month *pre-existing condition (PEC)* restriction will apply in all cases where a Limited TPD restriction would have previously applied. Typical circumstances where the new 12-month PEC restriction will apply include where:

- your insurance cover recommences after 180 days of cover lapsing
- if you meet the eligibility requirements for automatic cover however UniSuper does not receive an employer contribution within 180 days of you being first eligible to join UniSuper
- you are not in *active employment* when cover commences
- you apply for two units of additional default cover without satisfying the criteria of being in *active employment* and receive an employer contribution within 180 days of joining the fund.

The PEC restriction means that if you had an illness or injury which was pre-existing prior to the TPD cover commencing or recommencing, you won't be covered for that illness or injury until the PEC restriction is removed.

The PEC restriction will be removed at the end of the 12-month period. However, if you are not in *active employment* at the end of the 12-month period, the restriction will continue to apply until you've returned to *active employment* for two consecutive months.

If you need further help understanding PEC restrictions, please call us on **1800 331 685**.

Glossary

ACTIVE EMPLOYMENT

In general terms, active employment means that you're actively performing—or capable of actively performing—all of the duties of your usual occupation on a full-time basis, and capable of performing your usual occupation free from any limitation due to illness or injury on a full-time basis.

For the full definition of active employment, refer to www.unisuper.com.au/glossary or your PDS.

CONVERSION

From or after 3 January 2015, if you elect to transfer to Accumulation 2, your inbuilt death, disablement and temporary incapacity benefits will be converted to Death, Total & Permanent Disablement (TPD) and Income Protection cover with our Insurer.

DISABLEMENT

A state of health which in the opinion of the Trustee renders a member permanently incapable of performing duties or engaging in employment for which they are reasonably qualified by training and experience where:

- the member has been absent from employment through injury or illness for three months within a period of twelve consecutive months immediately before ceasing service, and
- the Trustee is satisfied that the state of health is not due to or induced by any wilful action on the part of the member to obtain a benefit.

FIXED COVER

Your chosen level of cover will remain the same each year but your premium will vary each year according to your age.

LIMITED TPD COVER

Cover for an illness which first became apparent—or an injury that first occurred—on or after the date your cover last commenced, recommenced or increased.

PRE-EXISTING CONDITION (PEC)

Means that our Insurer will not pay a claim that relates to an illness or injury:

- in respect of which, prior to the relevant date, the member or a reasonable person in their position:
 - was aware of or was aware of symptoms related to the illness or injury, or
 - should have sought advice or treatment or should have sought advice or treatment in relation to symptoms related to the illness or injury (conventional or alternative) from a medical practitioner or other allied health professional (in circumstances where a reasonable person in their position would have sought advice or treatment), or
 - has had a medical consultation or been prescribed medication or therapy

and

- which existed, or any symptoms related to the injury or illness which existed at any time prior to the relevant date.

SALARY

The annual remuneration last agreed between the insured and the member's employer. This can be different to the salary previously used to calculate your inbuilt benefits.

TEMPORARY INCAPACITY

A state of health which, in the opinion of the Trustee, renders a member unable to perform their own duties or any other duties for which they are reasonably qualified by education and experience and available at the member's employer where:

- the member has been absent from employment through injury or illness for three months within a period of 12 consecutive months immediately before making a claim for the benefit, and
- the Trustee is satisfied that the state of health is not due to or induced by any wilful action on the part of the member to obtain a benefit.

UNITISED COVER

The cost of each unit of cover stays the same as you get older, but the amount of cover you get reduces over time.

Protecting an environmental treasure

Earlier this year Professor of Ecology and Conservation Biology at the Australian National University (ANU) David Lindenmayer was appointed an Order of Australia for distinguished service to conservation and the environment in the field of landscape ecology, to tertiary education, and to professional organisations. He shares the development of his passion for the conservation of Victorian old-growth forests and why he's advocating for the creation of a Great Forest National Park.

My parents used to take our family on epic car journeys in the days before radios in cars (that worked), CDs, DVDs etc. After all the usual 'I spy' kind of games, I used to look at the landscapes outside the car window and think about what they were like to wander about in and what animals lived in them.

When I was 20 I became interested in marine biology after completing a scuba diving course. I started a marine biology and zoology degree at James Cook University but my real interest was in forest ecology and woodland ecology so I moved back to Canberra and started studying at ANU.

I have studied the Mountain Ash Forest of the Victorian Central Highlands for over 30 years. The forests are about a 90-minute drive from the MCG and support some of the tallest flowering plants in the world—we have measured trees exceeding 90 m tall.

Also, almost all of Melbourne's water comes from these forests (a topic my father-in-law and I wrote a book about late in 2013) and Mountain Ash Forests are also the most carbon-dense forests on the planet, so they have an enormous potential role in tackling climate change.

These forests also support virtually the entire known distribution of Leadbeater's possum.

Initially, we began quantifying where these animals occurred in the forest and why they occurred where they did, and the animal's dependence on large old hollow-bearing trees became apparent. I realised we needed to understand how other species of possums and gliders used the same forests as part of the entire community of animals.

The fact that Leadbeater's possum was thought to be extinct but then rediscovered in 1961 always intrigued me. Its status as the faunal emblem of Victoria also fascinated me. The species is important in many key ways, but perhaps most critically its persistence or extinction is a symbol of our ability to do ecologically sustainable forest management. So much about this species is now known in terms of what is needed to conserve it, making it essential for the science to change policies to ensure it does not go extinct.

It also became clear that we need to understand how disturbances like fire and logging affect the habitats of these animals as well as the forest itself. The ongoing work has expanded to be not only a study of endangered species, but also how the forest works and changes over time, and the links between the patterns we see in the forest and the processes that give rise to those patterns.



There have been many enormous changes in the forests since I first began working in them over 30 years ago. There have been two major wildfires—1983 and, more recently, 2009. These fires, especially the 2009 Black Saturday fires, dramatically reshaped our research and took it in many new directions.

There also have been very large areas of forest logged in the past 30 years and these too have significantly altered forest landscapes, contributing to a dramatic decline in the amount of old growth forest—it is now just 1.16% of the forest cover or about a thirtieth to a sixtieth of what it was formerly. These changes also have made Leadbeater’s possum extremely vulnerable to extinction.

There are many other species of conservation concern in Mountain Ash Forests. Some of these include the Barred Galaxias (an extremely rare native fish), the Yellow-bellied Glider (which has an amazing call reminiscent of a cross between a frothing cappuccino machine and a squealing pig) and the Sooty Owl (which has a characteristic ‘bomb-whistle’ call).

My research work has led me to propose the creation of a Great Forest National Park in Victoria, which is critical to the restoration of the Mountain Ash Forest. It’s needed to secure remaining populations of Leadbeater’s possum, to secure the water supply for Melbourne, to recover the old growth estate, and to create the foundation for tourism as a basis for recovering local economies in that part of regional Victoria.

My next big challenge is to see the Great Forest National Park gazetted and become a place for people to visit and walk in (like the great walks of Fiordland in southern New Zealand). I’d also like to continue to help the development of new cohorts of top quality young ecologists and environmental scientists.

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