

Income protection insurance



Income Protection insurance cover provides you with a monthly income for up to two years if you can't work for a long period because you are sick or injured. You can insure up to 75% of your annual salary plus a 10% contribution to super (85% in total) to a maximum of \$25,000 per month. This way you don't have to think about ongoing life expenses and you can concentrate on getting better.

Who can apply?

You can apply for cover if you:

- are aged between 16 and 64 years of age inclusive; and
- work on a permanent full-time or part-time basis and are regularly working at least 15 hours per week.

Casual employees are not eligible for Income Protection cover.

How much do I get?

The benefit is payable monthly for up to two years and the cover will end when one of the following events occur:

- you reach the age of 65;
- you recover or return to work – that is, you're no longer totally or partially disabled;
- the maximum two-year benefit period expires;
- upon the date of your death;
- you contact us (by phone or in writing) asking to cancel your cover;
- your First Super account has insufficient funds to pay the premium;
- you cease to be a member of First Super; or
- you commence active duty with the armed forces of any country (except for the Australian Defence Force Reserve, in which case, cover will only cease if you become the subject of a call-out order under the Defence Act).

What is the cost of cover?

The cost of Income Protection cover will depend on:

- the waiting period you select (30, 60, 90 days);
- the amount of cover you select;
- whether you are male or female; and
- whether you qualify for Blue Collar/manual, White Collar/non-manual or Professional rates.

Please refer to the *Insurance Guide* for rates or call our Member Services Team on **1300 360 988** and we'll help work it out for you. Alternatively, you can use the insurance calculator on our website firstsuper.com.au/calculators.

What is the waiting period?

The waiting period is the number of days after you are disabled (unable to work) and before your first Income Protection payment. You have a choice of three waiting periods: 30, 60 or 90 days. Premiums are generally lower for longer waiting periods.

How do I pay for cover?

As with all our insurance products, the premium for Income Protection is deducted monthly from your First Super account.

How do I apply for cover?

You can visit firstsuper.com.au/publications and complete the Application for Insurance Cover Form or you can call our Member Services Team on **1300 360 988**.

If you are not sure how much cover you need or would like to discuss your insurance options, you may want to seek financial advice.

For financial advice you can trust, call our Member Services Team on **1300 360 988** and ask to speak to a First Super Financial Planner[^].

[^]Financial advice will be provided by First Super Financial Planners, who are authorised representatives of Industry Fund Services Ltd (IFS) (ABN 54 007 016 195 AFSL 232514). Intra-fund advice is available at no additional cost to First Super members. If this advice becomes complex, there may be additional costs paid for on a fee-for-service basis.

Example

Jason is a 28-year-old cabinet maker and his annual salary is \$50,000.

He wants Income Protection cover of \$3,500 per month, or 35 units. This is equal to 85% of his salary at the time he applies (made up of 75% income replacement and 10% superannuation contribution).

He chooses a waiting period of 60 days.

As a 28-year-old, with a 60-day waiting period, Jason's annual premium is \$4.17 per unit (Blue Collar/manual rate).

Therefore, 35 units of Income Protection cover would cost Jason \$145.95 per year, or \$2.81 per week.

If he were disabled, Jason would receive a benefit of \$3,500 per month.

Of this amount \$3,125 per month ($75\% \times \$50,000 \div 12$) would be paid directly to him (less tax).

The remaining \$375 would be paid to his First Super account (less tax).

Want to know more? We're here to help



1300 360 988



mail@firstsuper.com.au



firstsuper.com.au



Go to firstsuper.com.au/insurance to find out more.

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