

Protecting Your Super Legislation – Fact Sheet for Insurance

NESS wants you to know that it is our aim to help you retire well and make the most out of what NESS has to offer. For some members that will mean opting-in to maintain your insurance and for others you may find it better to do nothing and have your insurance cancelled from 1 July 2019.

From 1 July 2019, you will receive a letter from all superannuation funds (including NESS Super) where you have insurance and have not made a contribution for a period of time. You will be asked by each fund to make a decision on whether you would like to keep that insurance, by 'opting-in' to maintain your existing insurance.

It is really important that you take the time to understand your superannuation, and the insurances you hold. To help you we have created the following factsheet outlining why you may want to lose or keep your insurance (**Return form**) or close it by doing nothing.

1. Reasons why you may want to opt-in (by returning the Form)

There are some good reasons why you may want to keep your default insurance with one or more superannuation funds including your NESS Super account.

Example	Why you want to keep your insurance	
	You have people who are relying on your income, or ability to generate income in the future.	Most people don't think twice about insuring their car or home, but then forget about insuring their ability to earn an income to pay the bills and look after their families. Keeping insurance may provide you with the assurance that if something happens.
	You are not aware of what support that you would receive should you get injured or sick.	At present the maximum payment rate (including supplements) is \$926.20 per fortnight for a single person on a Disability Support Pension.
	You do not know how much it will cost to get the same insurance outside of superannuation.	Life (Death and TPD) Insurance can be obtained outside of superannuation, as can Income Protection Insurance. However, the premiums you pay outside of super can be a lot more expensive and it is paid out of your after-tax take-home pay rather than being deducted from super. Note - If you have this type of insurance outside of super we recommend that you speak to your financial advisor to work out which insurance provides you with the better financial outcome. If you do not have a financial advisor we encourage you to call us so that we can put you in touch with someone who can help.
	You are not confident that you will maintain your health and think that in the future you might need to claim.	Insurance exists to protect you against a risk that something may happen to you. If you are not confident and want to protect yourself then opting in to keep your cover will protect you should you need to claim in the future.

2. Reasons why you may not want to opt-in (by doing nothing)

As the name of the legislation suggests, Protecting Your Super, is designed to stop your retirement nest-egg being eroded away by unwanted insurance premiums and excessive fees.

Example	Why you don't want this insurance	
	You are young and do not have any debts or people relying on your income or ability to generate income in the future.	Under Federal Government Law we are required to provide you with a level of default Death & TPD Insurance. If you are young, with a balance under \$10,000 and have stopped contributing to NESS Super there is a good chance that you are seeing premiums erode your super benefit. If you have no debts or beneficiaries, you may not think it is worth the cost.
	You are older and the amount of cover provided is not worth the premium.	Even when you are older, we are required to provide you with a level of default Death & TPD cover. The amount of cover you receive decreases and you may think that it is not cost effective.
	You are in a financial position where you (or your beneficiaries) don't really need an insurance payout if your get sick, injured or die.	We don't know your personal financial position, but you may have made enough money that you don't need the insurance.
	You have enough Death, Total & Permanent Disablement or Income Protection insurance with other super funds or outside of super.	After you have received all the letters from Funds you come to the conclusion that you are over-insured. We recommend that you look carefully at the cover and premium you are paying as it may help you decide which insurance you keep by opting-in and which one(s) you are happy to let cease automatically after 16 months of inactivity.

Each periodic statement that we have sent you indicates what insurance you have and how much you have paid for it.

Note - If you do not opt-in to maintain your insurance with NESS Super you will lose your insurance when we have not received a contribution from you for 16 months and you will stop having premiums deducted. For some, who have already not contributed for 16 months this will happen on 1 July 2019. If at a later date you wish to take up insurance again with NESS Super you will have to be underwritten.

3. What options are available?

If you want to keep your insurance or want more time to think about whether you want to give up your insurance please follow these simple steps:

1. Complete the Election to Maintain Insurance Cover; and
2. Return the Election to Maintain Insurance Cover in the Reply-Paid Envelope that was sent with this letter.

You can also make a contribution to NESS Super prior to 30 June 2019 to avoid losing your insurance.

Note you can always cancel your insurance cover at any time in the future. If you don't want to keep your insurance, simply let us know and we will cancel it for you.

If you do not want to keep your insurance simply do not respond and your insurance will be cancelled when you have not made contributions to NESS Super for 16 months.

We recognise that everybody's circumstances are unique and there may be a number of reasons why you have not contributed to NESS Super for a while:

Circumstance		Actions you can take	
	You have stopped working.	 	If you have stopped work because of injury or illness , please call us on 1800 022 067 as you may be covered for insurance. If you have stopped working and have been in receipt of government welfare payments for at least 26 weeks, you may be eligible to withdraw up to \$10,000 of your super as severe financial hardship . You may also be eligible for
	You are working with a new employer and have your super paid to another Fund.	 	Did you know that you are allowed to keep your super being paid to NESS Super when you change jobs? We recommend comparing NESS Super with your other Fund and look at important things such as returns, fees and insurance. If you find NESS Super performs better than the super where you are currently having your contributions tell your employer to start contributing to NESS Super under Choice of Fund. You can complete a Superannuation Standard Choice Form (NAT13080) from the ATO and give it to your employer to commence re-contributing to NESS Super, but note that an employer is not obliged to contribute to NESS Super for up to 2 months. Provided we receive a contribution from your employer prior to 1 July 2019 you will not automatically lose your insurance.
	You work for the same employer but chose to have your super paid elsewhere	 	By changing where you want your super to be paid you have demonstrated that you are engaged in your super. It is worthwhile occasionally comparing the performance of your superannuation funds in terms of returns, fees and insurance to make sure that still agree with your decision to stop contributing to NESS Super. You can complete a Superannuation Standard Choice Form (NAT13080) from the ATO and give it to your employer to commence re-contributing to NESS Super, but note that an employer is not obliged to contribute to NESS Super for up to 2 months.
	You are self employed	 	You may not be required to make SG contributions but the tax advantages, as well as access to insurance may make it attractive to make a contribution to your super. By making a contribution prior to 30 June 2019 you will automatically retain your insurance. If you would like more information about making contributions to NESS Super please call us on 1800 022 067 .

At NESS Super, we pride ourselves on being *'big enough to matter and small enough to care.'* We want to make sure you have every opportunity to understand this significant change to Insurance in Superannuation and make an informed decision about whether you want to maintain or cease your insurance with NESS Super.

If you have any questions in making this important decision please contact us on 1800 022 067.