

This Fact Sheet contains additional information about Income Protection cover provided by QIEC Super. This Fact Sheet must be read in conjunction with the information contained within the QIEC Super Product Disclosure Statement (PDS).

QIEC Super's Income Protection cover is designed to provide you and your family with a monthly income if, through sickness or injury, you are temporarily totally disabled for longer than 60 consecutive days, and are unable to work in your own occupation at full capacity as a result of the sickness or injury that caused your total disability.

What is Temporary Total Disablement?

A member is considered to be temporarily totally disabled if, because of sickness or injury, he or she is:

- unable to perform at least one income producing duty of his or her occupation; and
- is under the regular care of, and following the advice of, a medical practitioner; and
- not working in any occupation, whether or not for reward.

Income producing duty means a duty of the member's occupation immediately before he or she became disabled which generates 20% or more of the member's income.

How do you calculate the monthly benefit?

The maximum benefit payable cannot exceed 85% of your pre-disability income or \$10,000 per month, whichever the lesser. Your monthly benefit is based on your insured percentage. Details of how your insured percentage and monthly benefit are calculated are included below:

Insured percentage

Your insured percentage = $\frac{\text{monthly Income Protection benefit}}{\text{your monthly pre-disability income}} \times 100$

Where:

- Your monthly Income Protection benefit is the number of units of cover x \$1000,
- Your monthly pre-disability income is your annual salary divided by 12.

Monthly benefit

(i) If your insured percentage is less than or equal to 75% of your pre-disability income, your monthly benefit is your insured percentage x pre-disability income.

For example: if you have 2 units of Income Protection cover and your annual salary is \$36,000, your insured percentage is $(\$2000 \div \$3,000) \times 100 = 67\%$. This means you would receive a monthly benefit of 67% of your pre-disability income.

(ii) If your insured percentage is greater than 75%, but less than 85% of your pre-disability income, 75% of your pre-disability income will be paid directly to you, with the remainder of your insured percentage paid to QIEC Super for you as a superannuation contribution.

For example: if you have 2 units of Income Protection cover and your annual salary is \$30,000, your insured percentage is $(\$2000 \div \$2,500) \times 100 = 80\%$. This means you would receive a monthly benefit of 75% of your pre-disability income paid to you, with the extra 5% paid into your QIEC Super account as a superannuation contribution.

(iii) If your insured percentage is greater than or equal to 85% of your pre-disability income, 75% of your pre-disability income will be paid directly to you and 10% will be paid to QIEC Super for you as a superannuation contribution. This is subject to a maximum monthly benefit of \$10,000 per month.

For example: if you have 2 units of Income Protection cover and your annual salary is \$27,000, your insured percentage is $(\$2,000 \div \$2,250) \times 100 = 89\%$. This means you would receive a monthly benefit of 75% of your pre-disability income paid to you, with an additional 10% paid into your QIEC Super account as a superannuation contribution.

What is the waiting period?

The waiting period is the period of time (in consecutive days) that you have to be temporarily totally disabled before a monthly income benefit is payable. The waiting period commences from the date a medical practitioner certifies that you are temporarily totally disabled. Benefits commence to be paid monthly in arrears at the end of the waiting period. QIEC Super's waiting period is 60 days.

Can your benefit be reduced?

Your monthly Income Protection benefit under QIEC Super will be reduced so that it combined with any other income payments you may receive as a result of the disability are no more than the amount of 'monthly benefit' you would otherwise receive from QIEC Super.

Your monthly Income Protection benefit may be reduced by:

- sick leave payments;
- any amount payable under legislation such as workers' compensation, social security benefit or motor accident compensation;
- any benefits payable under other income protection policies;
- any income earned from your personal exertion while disabled; and
- in the Insurer's opinion, any income you could reasonably be expected to earn in your occupation while disabled.

How do you apply for extra Income Protection cover?

If you are applying for extra insurance cover above the automatic acceptance terms, you will be required to complete at least a Personal Statement and apply to the insurer for the extra cover. A detailed medical report may be requested from your own doctor at any level of cover. This report will generally be paid for by the Fund's Insurer.

The table sets out the additional requirements determined by the level of Income Protection benefits:

Monthly benefit:	Medical requirements:
\$6,000 or less	Short Personal Statement
\$6,001 - \$8,000	Full Personal Statement
\$8,001 - \$10,000	Full Personal Statement and Bio-chemical profile*

* A Bio-chemical Profile includes MBA20 (to include Hepatitis B & C Marker Tests) and HIV Antibody tests.

Reinstatement of cover

Where your cover has lapsed due to your account balance being insufficient to cover deduction of premiums, then cover may be reinstated at the same type and level, provided:

- you commence work with a contributing QIEC Super employer within 6 months of your cover ceasing;
- the Fund receives an on time employer contribution in respect of you and insurance premiums are deducted and remitted; and
- you are in active employment on the date your cover is reinstated (where you are not in active employment, limited cover will be provided until you have been in active employment for 2 consecutive months).

Members who do not meet the above conditions will be eligible for the cover to the automatic acceptance limit to be reinstated, and will be subject to our commencement and cessation of cover terms.

Members who have previously opted out of Income Protection insurance cover will not be eligible for reinstatement of cover or cover under the automatic acceptance limit.

Payment of benefits

Applications for the payment of Income Protection benefits may be obtained from QIEC Super. You will need to satisfy the definition of temporary total disablement for longer than the waiting period to be eligible to be paid a benefit.

Rehabilitation benefits

If you have been receiving Income Protection benefits, the Insurer may help you improve your ability to return to work by meeting the cost of a rehabilitation program.

The Insurer will meet rehabilitation expenses for a member who is disabled if:

- they approve the rehabilitation expenses in writing before they are incurred; and
- the expenses are incurred to directly assist the member to return to work in a gainful occupation, or to undertake a vocational retraining program because of his or her disability.

Generally, these expenses will include the cost of a rehabilitation program, which a medical practitioner certifies is necessary for your rehabilitation (other than an excluded rehabilitation program), house and car modifications, and rehabilitation education expenses. The Insurer will meet these costs by payment directly to the provider of the applicable service.

The maximum amount payable in respect of any one disability for the member is the lesser of:

- the expenses; and
- 6 times the monthly benefit, less any amounts that can be claimed from any other source for those expenses.

This amount will be paid in addition to the Income Protection benefit.

Recurrent disability benefit

The waiting period will not apply if you are disabled again from the same or a related cause within 6 months of the end of payment of a disablement income benefit. This will be treated as a continuation of the original claim and benefit period.

Exclusions

You will not be eligible for a benefit if the claim is caused directly or indirectly from:

- a war or act of war (whether declared or not);
- a self-inflicted act whether or not sane at the time; or
- normal and uncomplicated pregnancy or childbirth.

World Wide Cover

Worldwide cover is available to QIEC Super members. If you are disabled outside of Australia, you will be required to return to Australia within 1 month of disability or as soon as medically possible, at which time you must be under the immediate care of a medical practitioner.

The Insurer will not pay a benefit if your death, terminal illness or total and permanent disablement is caused directly or indirectly by an act of war that happens outside of Australia, unless the Insurer agrees in writing to specifically provide cover for this event before you leave Australia.

Tax conditions

Income Protection benefits are regarded as taxable income and attract Pay-As-You-Go (PAYG) tax, the same as your wages or salary. PAYG tax will be deducted from the benefit before it is paid to you.

You cannot claim a tax deduction for the premiums because QIEC Super's Income Protection cover is offered through a superannuation fund.

If you receive a monthly Income Protection benefit, you will be asked to provide QIEC Super with your Tax File Number (TFN). If you do not provide your TFN, the Fund will be required to deduct tax from your benefit at the maximum personal tax rate, currently 45% plus Medicare.

Opting out of cover

You are under no obligation to have insurance cover with QIEC Super. While you will automatically be allocated Income Protection cover when you join the Fund you are able to opt out by advising QIEC Super of this decision in writing at any stage after you join the Fund. If at a later date you decide you would like insurance cover, you will no longer be eligible for automatic acceptance and therefore be required to complete at least a Personal Statement, and apply to the Insurer for any insurance cover.

Optional additional Income Protection benefits

The maximum length of time that a QIEC Super Income Protection benefit is payable is 5 years. After this time, any benefit being paid will cease even if the member is still suffering from their temporary illness or injury.

From 1 December 2009, an option to extend the benefit payment period beyond the 5 year period to age 65 is available to QIEC Super members. This cover is offered in units of \$1,000 per monthly benefit, with a minimum of 2 units available (\$2,000 per month). The maximum amount of cover available is 10 units (\$10,000 per month) for employee members, and 2 units (\$2,000 per month) for self-employed members.

Members who apply for this optional benefit will be eligible to continue receiving a benefit payment beyond the initial 5 year period if it is determined that they are unable to return to work due to illness or injury. The extended benefit payment period ceases at age 65, subject to the following conditions, when payments will stop:

- The member is no longer disabled
- The member dies
- The member reaches age 65
- The date the Insurer decides to pay the member a TPD benefit (whether or not they have claimed that benefit).

The waiting period for this benefit is 5 years and 60 days before an Income Protection benefit would be paid. If members wish to apply for this optional benefit it would be subject to underwriting and approval by the Insurer.

The weekly premium rates for 1 unit of additional Income Protection insurance cover are outlined in the table below.

Age Next Birthday	Premium rate per week per unit (\$1,000)	Age Next Birthday	Premium rate per week per unit (\$1,000)	Age Next Birthday	Premium rate per week per unit (\$1,000)
16	0.32	33	0.56	50	1.73
17	0.33	34	0.60	51	1.87
18	0.33	35	0.64	52	2.02
19	0.35	36	0.68	53	2.18
20	0.36	37	0.73	54	2.35
21	0.37	38	0.77	55	2.55
22	0.38	39	0.82	56	2.55
23	0.40	40	0.88	57	2.69
24	0.41	41	0.93	58	2.81
25	0.43	42	0.99	59	2.72
26	0.44	43	1.04	60	1.34
27	0.44	44	1.11	61	n/a
28	0.45	45	1.18	62	n/a
29	0.46	46	1.28	63	n/a
30	0.48	47	1.38	64	n/a
31	0.51	48	1.48	65	n/a
32	0.54	49	1.60		

Insurance Terms and conditions

The QIEC Super Product Disclosure Statement and this Fact Sheet provide a summary of terms and conditions. The full terms and conditions are outlined in the Policy Documents. Please contact QIEC Super if you have any enquiries regarding these terms and conditions or require a copy of the Policies.

The information provided by QIEC Super is of a general nature and does not take into account your individual financial situation, objectives or needs. If you require such specific advice, you should contact a licensed financial adviser. Because of this you should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. You should obtain a Product Disclosure Statement (PDS) and consider the PDS before making any decision.

QIEC Super Pty Ltd ABN 81 010 897 480, the Trustee of QIEC Super ABN 15 549 636 673, is Corporate Authorised Representative No. 268804 under Australian Financial Services Licence No. 238507 and is authorised to provide general financial product advice in relation to superannuation.

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