



The facts about

Income protection claims

Who should read this

Members with income protection cover who have not worked for an extended period of time due to accident or illness and wish to claim for income protection benefits.

What is in this fact sheet?

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- > Five easy steps to claim an Income Protection benefit.
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What you should know upfront

It is important that you read the disclaimer at the end of this fact sheet. Before making any decisions, please read the PSSap Product Disclosure Statement and consider seeking advice from a licensed professional such as a financial planner, accountant or solicitor.

What is Income Protection?

Income protection is an income stream paid monthly which covers up to 75% of your salary for a period of up to two years when you are unable to work due to disability caused by sickness or injury. The maximum benefit period payable for non-ongoing (contract) employees will be the lesser of two years or the term of your contract. A waiting period of either 30, 60 or 90 days will also apply depending on what you have elected.

Any benefit will not be paid until after the waiting period has passed. The default waiting period is 90 days unless AIG Life has accepted your election to reduce it to either 30 or 60 days.

The waiting period commences when you first consult a medical practitioner about the condition that is causing you to be unable to work.

Five easy steps to claim an income protection benefit

Step 1 – intention to lodge

- > Tell us that you wish to lodge a claim for income protection benefits by calling us on 1300 725 171
- > We will send you all the relevant information and the documentation you and your employer need to complete to get the process underway.

Step 2 – lodging the claim

- > Complete the forms and return them to us as soon as possible
- > We will forward your claim to AIG Life for assessment
- > If you have completed a Tax File Number declaration, we will forward it to both AIG Life and the Australian Taxation Office in preparation for the claim being accepted
- > We will keep a copy on our files as well.

Step 3 – assessing the claim

- > AIG Life assesses your claim and makes a determination as to whether you are eligible to receive benefits under the Policy. AIG Life will not assess your claim until your waiting period has expired.

Step 4 – paying the benefit

- > If your claim is accepted, we will notify you as soon as possible and you will be set up in AIG Life's payroll system as a payee
- > AIG Life will deduct PAYG tax before paying you a monthly benefit in arrears into your nominated bank account
- > You will receive a pay slip with each payment and at the end of the financial year, you will receive a payment summary.

Step 5 – ongoing eligibility

- > Each month you and your doctor will be required to complete a report to AIG Life to show that you are still eligible to receive the income protection benefit
- > We will send you a report each month and remind you to complete it.

How do I lodge a claim?

You should immediately notify your employer and PSSap (by phone or in writing) as soon as you experience an illness or injury that is likely to keep you away from work (or restrict your work capacity) for longer than the waiting period.

When you inform us that you intend to lodge a claim for income protection benefits, we will send you the following forms for completion by you and your medical attendant(s).

- > Insurance – Salary Continuance Report (including the Medical Attendant's Statement)
- > Tax File Number declaration form
- > Statement Claim form
- > Certified proof of age (Driver's Licence, Birth Certificate or Passport).

Your employer will need to provide:

- > Insurance – Income Replacement Employer Report; and
- > Leave and Pay History (last twelve months).

You then need to send the completed documentation to:

PSSap – Insurance
PO Box 22
BELCONNEN ACT 2616

Please call us on 1300 725 171 if you need help in completing any of these forms.

What happens next?

Upon receipt of the completed forms, your application will be forwarded to the insurer, AIG Life for assessment once your waiting period has expired.

AIG Life will assess each case individually. The insurer may request further information to assess the claim. We will let you know if this is

required. When the assessment is completed, you will be provided with a full written response regarding the outcome.

During this time, you can call us if you have any queries regarding your claim.

What happens if the claim is accepted?

If your claim is accepted by AIG Life, AIG Life will deduct the relevant tax and pay a monthly benefit to you into your nominated bank account, in arrears. AIG Life will pay the benefit on the first Thursday after your claim has been accepted and after each monthly review.

Continuous review

If your claim is accepted, AIG Life will review your claim on an ongoing basis to determine your ongoing eligibility for income protection benefits. At least once a month you will be required to provide AIG Life with medical evidence and any other information they consider necessary, to ensure that you are still eligible. This may include undertaking independent medical examinations from time to time.

Payments of your benefit may be suspended if you do not undertake examinations or provide reasonable information requested by AIG Life.

Investigations

In addition to the monthly progress reports, AIG Life may also conduct further investigations of a member in receipt of an income protection benefit in order to assess the member's continuing disability and eligibility for the benefit.

Benefit offset

Income protection benefit payments will be reduced by any amounts you receive from other sources, such as workers compensation, income support payments, employment undertaken in the course of your rehabilitation or by sick leave entitlements.

Benefits and PAYG tax

Income protection payments are taxed as normal income.

When you lodge your claim, you will be asked to complete a Tax File Number declaration. You do not have to complete this form, however

whether you do or don't will affect the rate of PAYG tax which is deducted from your monthly benefit in the event that your claim is accepted.

Your TFN will be forwarded to AIG Life together with your application for benefit, and you will be set up as a payee on AIG Life's payroll system in preparation for your claim being accepted. The TFN declaration will also be sent to the Australian Taxation Office where ARIA, as the owner of the policy, is registered as a PAYG withholder in respect of income protection benefits.

If a claim is accepted by AIG Life, AIG Life will withhold the relevant PAYG tax before paying the benefit to you. The tax will be recorded against the ARIA account with the ATO and you will receive a payslip with each month's pay. At the end of the financial year you will receive a Payment Summary (to the nominated postal address) to submit with your tax return.

If you do not complete the Tax File Number declaration, AIG Life is required by law to withhold tax at the highest marginal tax rate.

If claim is not accepted

If your claim is not accepted by AIG Life and you wish to have the decision reconsidered or lodge a complaint, please see 'What if I am not satisfied?' on the next page.

What type of benefits are payable?

There are two types of benefits that are payable:

Total Disability

The total disability benefit is payable if you are unable to work and you are totally disabled for longer than the waiting period. This benefit is the full monthly benefit, subject to any payments you receive from other sources.

Total Disability means that, due to injury or sickness, a person:

- > is unable to perform one or more important duty* of his/her own occupation; or
- > remains under the regular care, attendance and following the advice of a registered Medical Practitioner in relation that sickness or injury; or
- > is not engaged in any occupation (whether or not for reward).

* An important duty is one that involves 20% or more of the insured's overall tasks.

Partial Disability

If you have been assessed as being partially disabled beyond the end of the waiting period and you have been totally disabled for at least 10 out of 14 consecutive days during this period, a Partial Disablement benefit will be payable. This benefit may be a proportion of the full monthly benefit.

Partially disabled means that, due to injury or sickness, a person:

- > is unable to perform one or more important duty of his/her own occupation
- > is incapable of working (whether or not for reward)
- > is earning a monthly income which is less than his or her pre-disability income
- > remains under the regular care, attendance, and following the advice of a registered Medical Practitioner in relation to that injury or sickness.

What are my responsibilities?

When you complete an application for insurance, you are required by law to answer all the questions truthfully and to provide any information which may affect the insurer's decision to insure you.

Your duty, however, does not require disclosure of a matter:

- > that diminishes the risk to be undertaken by the insurer
- > that is of common knowledge
- > that your insurer knows or, in the ordinary course of business, ought to know; or
- > the insurer has waived.

If you fail to comply with your duty of disclosure (or make a misrepresentation to us), the insurer may rescind or cancel your entitlements at any time.

It is also your responsibility to ensure that your personal details and information (such as postal address, bank account details) are up to date and correct. If any of your details do or will change, please contact the PSSap as soon as possible.

How will my privacy be protected?

We are committed to protecting your privacy.

We collect personal information from you only for the purposes of establishing and administering your super and insurance, to send you information about new products or services (provided by us or others) and to invite you to participate in member research.

Your personal information will be disclosed to our administrator ComSuper (for the purposes of establishing, administering and releasing your super) and our insurer AIG Life (for the purposes of establishing, administering and paying your insurance) but is not disclosed to any other party without your consent, or if required by law.

If you would prefer not to receive information about new products and services, or participate in member research, you can opt out by calling us on 1300 725 171.

If you do not opt out, then you are taken to have consented to our use of your personal information for the purposes of informing you about new products and services or inviting you to participate in member research until you elect to opt out.

A full copy of our privacy policy is available at www.pssap.gov.au or call us on 1300 725 171.

A full copy of AIG Life's privacy policy by can be found at www.aiglife.com.au

What if I am not satisfied?

If you are not satisfied with the way we have handled your application then please call us on 1300 725 171.

If you are not satisfied with the response you may ask to speak to a supervisor. If you still feel the issue has not been explained or resolved to your satisfaction, ask to be transferred to the Complaints Officer:

EMAIL complaints@pssap.gov.au

PHONE 02 6272 9081

FAX 02 6272 9802

MAIL The PSSap Complaints Officer
PO Box 22
BELCONNEN ACT 2616

If you wish to apply for reconsideration of your claim then you can forward your application in writing to the PSSap at:

PSSap – Insurance
PO Box 22
BELCONNEN ACT 2616

Once your application has been received, we will forward it to AIG Life for reconsideration and will then notify you of AIG Life's decision.

If you are still not satisfied

You may wish to contact the Superannuation Complaints Tribunal (SCT), an independent arbitrator set up by the Australian Government to resolve members' complaints. You can lodge a complaint with the SCT free of charge if you are dissatisfied with our response or we cannot resolve your situation within 90 days.

EMAIL info@sct.gov.au

PHONE 1300 884 114

FAX 03 8663 5588

WEB www.sct.gov.au

MAIL Superannuation Complaints Tribunal
Locked Bag 3060, GPO
MELBOURNE VIC 3001

How can I get more information?

The PSSap Product Disclosure Statement provides more detailed information about the PSSap. Should you have any questions or require further information about PSSap, please:

- > refer to www.pssap.gov.au
- > email us at members@pssap.gov.au or
- > call us on 1300 725 171

DISCLAIMER

The information provided is a summary only of PSSap's insurance arrangements with AIG Life and the benefits offered. The provision and availability of insurance benefits is governed by the policies of insurance between the PSSap and AIG Life and is subject to terms and conditions.

Warning - This Document Contains General Advice or Information Only

Any advice in this document has been prepared without taking account of your personal objectives, financial situation or needs. Because of this, you should, before acting on any advice in this document, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. You may wish to consult a licensed financial planner to do this.

Australian Reward Investment Alliance (ARIA)
ABN: 48 882 817 243 AFSL: 238069 RSE Licence no: L0001397,
Trustee of the Public Sector Superannuation accumulation
plan (PSSap) ABN: 65 127 917 725 RSE: R1004601