



Income protection claims

Who should read this?

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

What is in this fact sheet?

- > What you should know up front
- > What is income protection?
- > What type of benefits are payable?
- > Five easy steps to claim an income protection benefit.
- > How do I lodge a claim?
- > What happens next?
- > What happens if the claim is accepted?
- > What are my responsibilities?
- > How will you protect my privacy?
- > What if I am not satisfied?
- > How do I get more information?

What you should know up front

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 (or to age 65 if earlier) 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, 90, 120 or 180 days will also apply depending on what you choose.

Benefits will not be paid until the waiting period passes. The default waiting period is 90 days unless AIA Australia has accepted your election to reduce this.

The waiting period starts when you first consult a medical practitioner about the condition that caused you to be totally (or partially) disabled and unable to work.

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, you must, due to injury or sickness:

- > be unable to perform one or more important duties* of your occupation
- > remain under the regular care, attendance and follow the advice of a registered medical practitioner in relation the sickness or injury and
- > not be 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, you must, due to injury or sickness:

- > be unable to perform one or more important duties of your own occupation
- > be capable of working (whether or not for reward)
- > be earning a monthly income which is less than your pre-disability income
- > remain under the regular care, attendance, and follow the advice of a registered medical practitioner in relation to the injury or sickness.

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 AIA Australia for assessment.
- > If you have completed a tax file number declaration, we will forward it to both AIA Australia 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

- > AIA Australia assesses your claim and makes a determination as to whether you are eligible to receive benefits under the policy. AIA Australia will not assess your claim until your waiting period expires.

Step 4 – paying the benefit

- > If your claim is accepted, we will notify you as soon as possible and AIA Australia will set you up in its payroll system as a payee.
- > AIA Australia will deduct pay as you go (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 are required to complete a report to AIA Australia 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 sickness or injury that is likely to keep you away from work (or restrict your work capacity) for longer than the waiting period.

When you tell 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 complete:

- > insurance – income replacement employer report
- > 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 completing any of these forms.

What happens next?

Once we receive the completed forms, we will forward your application to the insurer, AIA Australia for assessment. This is once your waiting period expires.

AIA Australia will assess each case individually. The insurer may ask for further information to assess the claim. We will let you know if they do. When the assessment is completed, you will receive a full written response about 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 AIA Australia accepts your claim, AIA Australia will deduct the relevant tax and pay a monthly benefit to you into your nominated bank account, in arrears. AIA Australia will pay the benefit accordingly after AIA Australia accepts your claim and after each monthly review.

Continuous review

If AIA Australia accepts your claim, AIA Australia 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 give AIA Australia medical evidence and any other information they consider necessary, to make sure 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 give reasonable information requested by AIA Australia.

Investigations

In addition to the monthly progress reports, AIA Australia may also conduct further investigations of a member receiving an income protection benefit, to assess the member's continuing disability and eligibility for the benefit.

Income protection adjustments

Income protection benefits will continue to be paid if you receive a benefit for TPD. Income protection benefits will be reduced for any amount payable for workers compensation, transport accident compensation income support payments or similar legislation in relation to your sickness or injury and other ongoing income or sick leave entitlements from any source.

Benefits and PAYG tax

Income protection payments are taxed as normal income.

When you lodge your claim, you will have 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 AIA Australia accepts your claim.

We will forward your tax file number to AIA Australia together with your application for benefit, and AIA Australia will set you up as a payee on its payroll system in preparation for AIA Australia accepting your claim. We will also send the tax file number declaration 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 AIA Australia accepts a claim, AIA Australia 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 your nominated postal address) to submit with your tax return.

If you do not complete the tax file number declaration, AIA Australia is required by law to withhold tax at the highest marginal tax rate.

If AIA Australia does not accept your claim

If AIA Australia does not accept your claim 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 are my responsibilities?

When you complete an application for insurance, you are required by law to answer all the questions truthfully and to include 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 make sure 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 you protect my privacy?

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 (for the purposes of establishing, administering and releasing your super) and our insurer AIA Australia (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.

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

You can find a full copy of AIA Australia's privacy policy at www.aia.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 we have not explained or resolved the issue 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:

PSSap – Insurance
PO Box 22
Belconnen ACT 2616

Once we receive your application, we will forward it to AIA Australia for reconsideration and will then notify you of AIA Australia'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 do I get more information?

The **PSSap product disclosure statement** gives detailed information about the PSSap. Should you have any questions or need further information about PSSap, please:

EMAIL members@pssap.gov.au

PHONE 1300 725 171

FAX 1300 662 406

MAIL PSSap
PO Box 22
Belconnen ACT 2616

WEB www.pssap.gov.au

Disclaimer

The information given is a summary only of PSSap's insurance arrangements with AIA Australia and the benefits offered. The provision and availability of insurance benefits is governed by the policies of insurance between the PSSap and AIA Australia 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