

Public Sector Superannuation accumulation plan

Second Supplementary Product Disclosure Statement

This Second Supplementary Product Disclosure Statement ('SSPDS') dated 19 March 2010 supplements the Public Sector Superannuation accumulation plan Product Disclosure Statement ('PDS'), second edition, dated 17 April 2007 and the Supplementary Product Disclosure Statement ('SPDS') dated 4 November 2009 issued by Australian Reward Investment Alliance ('ARIA') (ABN 48 882 817 243) (ASFL 238069) and should be read together with the PDS and SPDS.

This SSPDS provides general information only, and has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider this information in light of your own personal objectives, financial situation or needs. You may wish to consult a licensed financial planner to do this.

The following amendments are made to the PDS:

All references to AIG Life and American International Assurance Company (Australia) Limited in the PDS are replaced with AIA Australia Limited. You will find these on the following pages of the PDS:

- > What you should know upfront - introduction section
- > Your quick guide to the PDS - introduction section
- > TPD retirement - page 63
- > Compulsory payment of benefits - page 64
- > Tax and your income protection - page 79
- > Your privacy - page 82.

All references to **www.aiglife.com.au** are replaced with **www.aia.com.au**. You will find this under **Your privacy** (privacy and your insurance section) on page 82 of the PDS.

In the table in the introduction section of the PDS under **Your quick guide to the PSSap**, the words in item 5 (insurance) are replaced with the following:

Our insurance policies can offer you protection in the event of sickness, injury or death. As a PSSap member, you have access to death and total and permanent disablement (TPD) cover plus income

protection through AIA Australia. Death and TPD cover is compulsory if you are eligible.

Receiving the insurance you're eligible for on page 18 of the PDS (under **What you need to consider**) is replaced with the following:

Receiving the insurance you're eligible for

All members will receive death, TPD and income protection cover subject to the eligibility and other conditions as outlined in the insurance section of this SSPDS.

The section, **Also, you need to know** on page 18 of the PDS (under **What you need to consider**) is deleted.

Insurance

FIND OUT ABOUT:

Your insurance and other options to protect you

Claiming your insurance

Death and total and permanent disability (TPD) and income protection cover premiums

Insurance can help protect your lifestyle and help your family in the event of your sickness, injury or death.

You have a number of options for death and total and permanent disability (TPD) and income protection cover and you can increase or decrease the level of cover to suit your individual circumstances.

Remember, circumstances in your life may change at any time, and this may affect your insurance. So we recommend regular reviews of your insurance cover to make sure it is still suitable for you.

The following information replaces pages 41 to 57 of the PDS. Unless stated otherwise, all page references in this SSPDS are to pages in this SSPDS.

Insurance for you

Insurance can help you protect your current lifestyle and provide for you or your family in the event of your sickness, injury or death. We offer you flexible death, total and permanent disability (TPD) and income protection insurance options for your stage of life.

Things to remember when reading this section

This section describes the main features of the insurance offerings to PSSap members and is intended as a general guide only.

The information in this section is based on the terms and conditions of the insurance policies which ARIA currently holds on behalf of members of the fund as at the SSPDS publication date. The policies which ARIA currently holds are provided by AIA Australia Limited (ABN 79 004 837 861, AFSL No. 230043). It is possible that the terms and conditions of the insurance policies held by ARIA (including the premiums charged to members) may change from time to time due to AIA Australia changing these terms and conditions or if AIA Australia ceases to be the insurer. If this happens, the information in this section may

become outdated. We will let you know about any significant changes in the terms and conditions of the insurance cover.

The full terms and conditions relating to insurance are set out in the insurance policies and in the event of any dispute about insurance, the policies will take priority over the information in this section.

If you were already a member before 1 March 2010 – death and TPD insurance

We changed your death and TPD insurance options on 1 March 2010 and now our default insurance cover changes depending on your age (see chart 1 on page 13 of this SSPDS).

We wrote to you to let you know that if your level of cover (insured amount) before 1 March was:

- > greater than our new Basic cover we would keep you on your existing level of cover. This is now known as Fixed cover, which stays at the same level of cover[#] but as you get older your premiums increase
- > less than our new Basic cover we would give you the higher Basic cover
- > death and TPD cover 2 or your cover had special terms and conditions you would stay on your existing level of cover and it would become Fixed cover until you reach age 60[#].

If you opt out after your 60 day PSSap welcome letter date we will backdate and credit premiums to your

PSSap account from the date we receive your notice to opt out.

To find out how to change your cover and for full conditions on the changes to your insurance see the **PSSap insurance** fact sheet (in addition to the letter you were sent) at www.pssap.gov.au.

[#] From age 61, the TPD fixed amount will reduce linearly at each birthday to reach zero at age 70.

Table 1: Overview of insurance options

The following information only applies to members who join PSSap on or after 1 March 2010.

	Death and TPD cover	Income protection
Type of benefit	A lump sum payment on death or TPD.	An income stream paid monthly which covers up to 75% of your base annual salary for up to 2 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 2 years or the term of your contract.
Who is eligible?	All employees under 65 years of age (employees over age 65 are eligible for cover subject to underwriting).	Permanent** and non-ongoing* employees with a contract term of at least 3 months, working 15 hours or more per week, and under 65 years of age.
Expiry age	Cover expires at age 70.	Cover expires at age 65.
Default on joining	Basic cover of up to \$250,000, depending on your age. See page 13 of this SSPDS.	75% of your base annual salary (to a maximum benefit of \$12,000 per month).
Changing your cover	You can apply to: <ul style="list-style-type: none"> > increase to Maximum basic cover > decrease your cover to Minimum basic cover > switch from Basic cover to Fixed cover. See the Changing your cover section on page 8 of this SSPDS and the Insurance variation form at www.pssap.gov.au .	You can apply to: <ul style="list-style-type: none"> > reduce your level of income protection to 50% of your base annual salary > reduce or increase your waiting period > opt out altogether See the Changing your cover section on page 8 of this SSPDS and the Insurance variation form at www.pssap.gov.au .
Minimum insurance cover	Minimum cover ranging between \$7,000 and \$50,000 (depending on your age). See page 13 of this SSPDS.	Nil.
Maximum insurance cover	\$50 million for death (subject to underwriting). \$3 million for TPD (subject to underwriting).	75% of base annual salary to a maximum monthly benefit of \$20,000.
Premium	See Table 4 of this SSPDS.	See Table 5 of this SSPDS.

Table 1: Overview of insurance options (continued)

	Death and TPD cover	Income protection
When underwriting is required before acceptance for cover	<p>If any of the following apply:</p> <ul style="list-style-type: none"> > you are a new employee aged 65 years and over > you are seeking to increase your death and TPD cover by applying for cover above the Maximum basic cover > you are seeking to increase your death and TPD cover more than 60 days after the date of your welcome letter. 	<p>If any of the following apply:</p> <ul style="list-style-type: none"> > you want to reduce the applicable waiting period > your default level of cover is above the \$12,000 monthly benefit (which is PSSap’s automatic acceptance limit) > you are an existing member and want to increase your amount insured.
Waiting periods	See the definitions of TPD in the PSSap insurance fact sheet at www.pssap.gov.au for relevant waiting periods.	Default waiting period of 90 days. You may apply to reduce the waiting period to 60 or 30 days (subject to underwriting by AIA Australia), or to increase the waiting period to 120 or 180 days.

*A ‘non-ongoing’ employee means any person who received a written contract of employment for a specified period by the Australian Government or a participating employer of the PSSap, and is entitled to be paid annual leave and sick leave.

**A ‘permanent’ employee means any person permanently employed by the Australian Government or a participating PSSap employer, and who is entitled to be paid annual leave and sick leave.

What cover are you eligible for?

Death and total permanent disability (TPD) cover

You receive Basic death and TPD cover, effective from the date you start your new job[^], if you are under 65 years of age and join the PSSap within 120 days after starting your new job (and as long as your premiums are being paid).

If you are over 65 (but under 70) years of age, you will need to apply for this cover and be underwritten by AIA Australia who will then decide whether to accept your application for cover.

If you join the PSSap more than 120 days after starting your new job, you will receive Basic death and TPD cover from the date you join the PSSap but for the first 12 months it will be limited cover only. Full cover will not be available within the initial 12 month period and the member must satisfy the 'at work' criteria for a consecutive three month period. The three consecutive months can start in the last three months of the 12 month limited cover period.

See **Key terms** on page 12 of this SSPDS for an explanation of 'at work' and 'limited cover'.

[^] If you are not 'at work' on the date your cover or increased cover starts, you receive 'new events cover' until you are continuously 'at work' for three consecutive months, then full cover will apply. See **Key terms** on page 12 of this SSPDS for an explanation of 'new events cover'.

Income protection cover

You receive income protection cover, from the date you start your new job[^], if:

- > you are under 65 years of age
- > you join the PSSap within 120 days after starting your new job
- > you're permanent or non-ongoing with a contract of more than three months and work more than 15 hours per week.

If you are under 65 years of age, work more than 15 hours per week, and are either a permanent employee or a non-ongoing employee with a contract of more than three months, and you join the PSSap more than 120 days after starting your new job, you will receive income protection cover from the date you join the PSSap, but for the first 12 months it will be limited cover only. Full cover will not be available within the initial 12 month period and the member must satisfy the 'at work' criteria for a consecutive three month period. The three consecutive months can start in the last three months of the 12 month limited cover period.

Income protection cover is not available to persons who:

- > are over 65 years of age
- > do not work more than 15 hours per week
- > are neither permanent employees or non-ongoing employees with a contract of more than three months.

See **Key terms** on page 12 of this SSPDS for an explanation of 'at work' and 'limited cover'.

[^] If you are not 'at work' on the date your cover or increased cover starts, you receive 'new events cover' until you are 'at work' for three consecutive months, then full cover will apply. See **Key terms** on page 12 of this SSPDS for an explanation of 'new events cover'.

What does the cover offer?

Death and TPD cover

Death and TPD cover offers a lump sum payment on death or TPD (following an approved claim) which changes automatically based on your age, unless you have Fixed cover which remains the same until you are 61, where TPD reduces linearly (see **Table 4** on page 14 of this SSPDS).

See **Key terms** on page 12 of this SSPDS for an explanation of 'TPD'.

The default level of cover you receive is called **Basic cover**. Basic cover is described in the table on page 13 of this SSPDS. You can:

- > increase your amount of Basic cover to Maximum basic cover
- > reduce to Minimum basic cover (by law you cannot reduce your cover below Minimum basic cover)
- or
- > increase, decrease or fix your level of cover at a particular level (called Fixed cover) as outlined in **Changing your cover**.

As part of your death and TPD cover, you may also be eligible for a terminal illness benefit of 100% of your death benefit, up to a maximum of \$500,000, if you are diagnosed (and considered by AIA Australia) to be terminally ill and deemed incapacitated according to the *Superannuation Industry (Supervision) Act*⁺.

⁺See **Key terms** on page 12 of this SSPDS for an explanation of ‘terminally ill’.

Income protection cover

Income protection cover offers payment of monthly benefits based on a percentage of your base annual salary (at the time of the incident which led to your claim) if you satisfy the definition of total disability (see **Key terms** on page 12 of this SSPDS). The default percentage of your income is 75% (up to a monthly limit of \$12,000), but you can choose to reduce it to 50% or to opt out altogether (see **Changing your cover**). However, the maximum monthly benefit payable to a member is \$20,000 per month. See **PSSap income protection claims** fact sheet at www.pssap.gov.au for the ‘total disability’ definition.

A waiting period applies before income protection benefits are payable. The waiting period commences from the date the member is first examined and certified by a doctor as ‘totally disabled’ (in relation to the condition giving rise to the claim) provided the member has ceased work, due to that condition. The default waiting period is 90 days, but you can apply to change it to 30, 60, 120 or 180 days (see **Changing your cover**).

You may be eligible for a partial disability benefit at the end of the waiting period if you have been totally disabled for at least 10 out of 14 consecutive days, return to work in a reduced capacity because of your disability and you satisfy the definition of partially disabled. See **PSSap income protection claims** fact sheet at www.pssap.gov.au for the ‘partially disabled’ definition.

Changing your cover

Death and TPD cover

You can apply to change your death and TPD cover at any time. See the following table to see what changes you can make and how you can apply to make the change. All forms are available at www.pssap.gov.au in the **forms and publications** section.

Table 2: Changing your cover

Type of change	Your options	Form you will need to fill out	Underwriting assessment from insurer?
Increase your cover to Maximum basic cover	You can increase to the Maximum basic cover (for your age - see chart 1) within 60 days of the date of your welcome letter. If you are under 61, you can apply to increase your cover to a fixed amount (Fixed cover) [#] .	PSSap insurance variation form	No - if you increase your cover up to the Maximum basic cover within 60 days of your welcome letter date and you are ‘at work’ at the time of applying for this increase.
Increase your cover	You can apply to increase your cover at any time onto either the Basic cover, Maximum basic or to a fixed amount (Fixed cover).	PSSap insurance variation form AIA personal statement/ members declaration	Yes - if any of these apply: <ul style="list-style-type: none"> > you increase your cover > your increase occurs 60 days after your PSSap welcome letter date > you increase your cover more than once within 60 days of your welcome letter.
Decrease your cover	You can decrease your cover to any amount equal to or higher than the Minimum basic cover (for your age - see Chart 1). If you are under age 61 [#] you can decrease your cover to a fixed amount (above Minimum basic cover for your age - see Chart 1).	PSSap insurance variation form	No
Switch from Minimum basic cover, Basic cover or Maximum basic to Fixed cover	If you are on Minimum basic cover, Basic cover or Maximum basic cover and are under age 61 [#] you can apply to fix your cover at that level at any time.	PSSap insurance variation form	No
Switch from Fixed cover to Basic cover	You can switch back to Basic cover, Maximum basic cover or Minimum basic cover from Fixed cover if your current level of Fixed cover is greater than or equivalent to the relevant basic cover level applicable to your age at any time.	PSSap insurance variation form	No

[#] From age 61, the TPD fixed amount will reduce linearly at each birthday to reach zero at age 70.

Income protection cover

You can elect to reduce the amount of the monthly benefit payable to you from 75% to 50% of your base annual salary following approval of your application. You can do this at any time using the **PSSap insurance variation** form at www.pssap.gov.au.

You can also elect to change the waiting period for your income protection cover using the **PSSap insurance variation** form. You can elect to reduce the waiting period to 30 or 60 days (subject to an underwriting assessment and acceptance by AIA Australia) or to increase the waiting period to 120 or 180 days.

You can elect to opt out of income protection cover altogether by using the **PSSap insurance variation** form.

If you reduce your cover within 60 days of joining the PSSap, your level of income protection cover and premiums are backdated to your joining date. If you opt out of income protection cover within 60 days of joining, any premiums paid for income protection cover will be reimbursed to your PSSap super account.

Claiming your insurance

All claims need to be sent to us. We then send the claims to AIA Australia. Approval of a claim is subject to the terms and conditions of the insurance policy issued by AIA Australia.

ARIA is only liable to pay any insured benefit to a member if AIA Australia has first paid the insured benefit to ARIA. Neither the Australian Government, ARIA nor its authorised representatives guarantee AIA Australia's performance under the insurance policies.

All claims should be lodged with us as soon as possible after the event to which the claim relates. A delay in lodging a claim may result in a benefit being reduced or denied under the relevant insurance policy.

Death and TPD benefits

Death benefits payable for an approved claim will be paid by ARIA (following receipt from AIA Australia) to your legal personal representative or nominated beneficiaries (see **Nominating your beneficiaries** on page 19 of the **PSSap Product Disclosure Statement**) as a lump sum.

A TPD or terminal illness (see **Key terms** on page 12 of this SSPDS for an explanation of 'terminally ill') benefit payable for an approved claim will be paid by ARIA (following receipt from AIA Australia) to you.

The lump sum we receive from AIA Australia will be credited to your PSSap account and invested in the Cash investment option while we calculate the value of your final benefit and pay it to you or your beneficiaries (as applicable).

Income protection benefits

Following an approved claim for income protection benefits, AIA Australia will pay a monthly payment (after deduction of taxes) direct into a bank account you hold and which is located in Australia. See **Fees, taxes and other costs** in the 4 November 2009 **PSSap Supplementary Product Disclosure Statement** for more information.

Income protection adjustments

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

Please see the **PSSap income protection** fact sheet at www.pssap.gov.au or contact us for more information about the claims process.

When does cover stop?

Your cover for death and TPD will stop on the earliest of:

- > the date you turn 70
- > the date your claim for death or TPD benefits is accepted by AIA Australia (or the day you die). Where the death amount is greater than the TPD amount the remaining balance is payable on death unless any of the other events in this section occur.

- > a terminal illness benefit is paid by AIA Australia. Where the death and/or TPD amount is greater than \$500,000 the remaining balance is payable on death and/or TPD unless any of the other events in this section occur
 - > the date you take out a continuation option (see **Persons who leave employment in the PSSap insurance fact sheet** for more information)
 - > 60 days after you stop being a member of the PSSap
 - > 60 days after the PSSap receives the last contribution from your employer
 - > 60 days after you leave the employment of the Australian Government or a participating PSSap employer
- or
- > 60 days after a premium due is not paid (for example due to insufficient funds).

Your income protection cover will stop on the earliest of:

- > the date you turn 65
- > the date you cancel the cover
- > the date you stop being in active and continuous employment for at least 15 hours per week
- > the date of your death
- > the date you permanently retire from the workforce
- > the day after you stop being a member of the PSSap

- > 60 days after PSSap receives your last contribution from your employer
- or
- > 60 days after a premium due is not paid (for example, due to insufficient funds).

Cover for death, TPD and income protection will also stop on termination of the policies by us. We would give you thirty days notice before taking such action. Any replacement policy may not offer the same cover or the same terms as those described in this section. Cover for death, TPD and income protection may also stop as a result of unauthorised leave, leave without pay or leave with partial pay. See **Application to certain members** on page 11 of this SSPDS for more information.

How and when you pay premiums

We calculate the premiums applicable to your level of death and TPD cover and income protection cover at the end of each calendar month. The premium may vary slightly from month to month, depending on the date you joined and how many days in each month.

We deduct the premiums from your PSSap super account by selling some of your units on the first business day of each calendar month or as soon as practicable thereafter.

If you have your super invested in different investment options, we pro rata the payment across these options. For example, if your investment

options are 50% in Trustee Choice and 50% in Cash, then we deduct 50% of your premiums from the amount you have in trustee choice and 50% from the amount you have in cash.

Exclusions

No benefit will be paid for death or TPD:

- > caused by active service in the armed forces of any country or international organisation
- or
- > as a result of any intentional, self-inflicted act, whilst either sane or insane, within 13 months from the date of acceptance of any underwritten cover.

No income protection benefit will be paid for any of the following:

- > any intentional self-inflicted injury or attempted suicide or self-destruction while sane or insane
 - > uncomplicated pregnancy, childbirth or miscarriage
 - > any injury or illness resulting from active service in the armed forces of any country or international organisation
- or
- > war or act of war (whether declared or not).

Other relevant information

Underwriting

Some members will need to be individually assessed and accepted for insurance by AIA Australia. The main circumstances in which members will need to be underwritten by AIA Australia are described in **Table 2** on page 8 of this SSPDS. Other circumstances include where a member applies to reinstate cover after it has lapsed. Underwriting may result in a member being declined insurance or offered insurance on modified terms and conditions. If underwriting is required, AIA Australia will assess all applications based on their criteria and in accordance with the terms and conditions of the relevant policy document.

If you need to be underwritten to be granted any death and TPD cover (including any increased cover), you will be given interim accident cover for accidental death and TPD for a period of up to 90 days from the date the insurer receives your personal statement (subject to a maximum benefit of \$1,000,000). No benefit will be payable under interim accident cover in respect of disability resulting from hazardous pursuits and pastimes. This cover ends once AIA Australia has made a decision, you withdraw your application or you are no longer eligible for cover under the PSSap.

If underwriting applies to you, please see the **PSSap insurance** fact sheet at www.pssap.gov.au for more information about the underwriting process and how this may affect your insurance cover and premiums.

Application to certain members

The following special conditions and considerations apply for certain members.

Disabled persons	<p>Disabled persons will receive cover only for events that arise after the date cover starts and that are unrelated to any conditions that pre-existed the date the cover started.</p> <p>Disabled persons, for the purposes of the policies, are persons employed under policies which promote employment opportunities for disabled persons.</p>
Persons on approved leave without pay or on partial pay	<p>If you are on approved leave without pay and continue to pay premiums from your PSSap super account, your cover continues during your leave for up to 12 months (<i>or longer with approval</i>), but if you do not return to work by your expected return date or cease your employment in this period, your cover will end 30 days after the date of your expected return or on which you ceased employment (as applicable). The same conditions apply to your death and TPD cover if you take approved leave on partial pay.</p>
Former PSS members	<p>If you had additional death and invalidity cover in the PSS, you cannot transfer this cover to the PSSap but you can 'top up' your PSSap default Basic cover by applying for additional cover if you wish subject to underwriting (See Changing your cover on page 8 of this SSPDS for how to apply for additional cover).</p> <p>Your default cover will be 'limited cover' for the first 12 months of membership. Full cover will not be available within the initial 12 month period and you must satisfy the 'at work' criteria for a consecutive three month period. The three consecutive months can commence in the last three months of the 12 month limited cover period.</p>
Persons on unauthorised leave from employment	<p>If you continue to pay premiums from your PSSap super account, your cover will continue for a period not exceeding one month.</p>
Overseas postings	<p>If you continue to pay premiums from your PSSap super account, your death and TPD and income protection insurance cover will continue to apply while you are overseas but no applications may be made to increase cover.</p>
Overseas employees in Australia	<p>PSSap members who are not Australian citizens are eligible to receive insurance cover during their stay in Australia while they are employed in Australia. AIA Australia may require overseas members to remain in Australia for a period of time for claims assessment purposes.</p>
Persons who leave employment	<p>If you are a permanent employee under 60 who leaves employment for reasons other than illness or injury, you may apply to continue your death and TPD cover directly with AIA Australia under an individual policy without being subject to underwriting (however you must apply direct to AIA Australia within 60 days of leaving employment to be eligible).</p> <p>Cover will be continuous for a permanent employee or non-ongoing employee if they cease employment with a PSSap employer and recommence employment with a new PSSap employer within 60 days.</p>

Key terms

At work

'At work' means:

- > You are engaged in your normal duties and work hours, without limitation or restriction due to sickness or injury and are working normal hours on the day cover starts
and
- > You are not in receipt of and/or entitled to, claim income support benefits from any source including workers compensation benefits, statutory transport accidents and disability income benefits.

Fixed cover

Fixed cover is a level of death and TPD cover that does not change once selected.

Limited cover

'Limited cover' means that, during the period in which Limited cover applies:

- > you are only covered for events or conditions occurring after your cover commences
and
- > no benefits will be payable for death or disability as a result of a self-inflicted injury or suicide.

New events cover

New events cover is cover that excludes any medical condition, or any directly or indirectly related condition arising from sickness or injury, which has caused you not to be 'at work' on the date cover or increased cover starts. Among other things, new events cover may be applicable to you if you are working in a reduced capacity and/or on a reduced salary due to a sickness or injury.

Partially disabled

Please see the **PSSap income protection claims** fact sheet at www.pssap.gov.au for the definition of partially disabled.

Total disability

Please see the **PSSap income protection claims** fact sheet at www.pssap.gov.au for the definition of total disability.

Total and permanent disability (TPD)

Different definitions of TPD will apply depending on your age and the average hours per week for which you are employed in the 13-week period immediately before the last day you are 'at work', before disablement leading to you making a claim. See the **PSSap insurance** fact sheet at www.pssap.gov.au for the definition of TPD that will apply to you.

Terminally ill

Terminal illness means you have been certified by two registered medical practitioners as suffering from an illness or incurred an injury that is likely to result in your death within 12 months regardless of any treatment undertaken.

About AIA Australia Limited

AIA Australia Limited has been operating in Australia for over 30 years. AIA Australia is a subsidiary of the AIA Group and a specialist provider of life insurance products aimed at protecting the financial health and welfare of Australians. AIA Australia has given and not withdrawn its consent to the information in this document referable to AIA Australia and the insurance policies it has issued in the form and context in which that information appears. AIA Australia has not issued, or caused the issue, of this document and is not responsible for any other statements in this document, other than those to which it has consented.

Table 3: Death and TPD insurance cover scale

Death and TPD for PSSap members

Age next birthday	Minimum basic cover	Basic cover	Maximum basic cover	Age next birthday	Minimum basic cover	Basic cover	Maximum basic cover
16-27	\$50,000	\$150,000	\$225,000	50	\$7,000	\$168,500	\$252,750
28	\$50,000	\$200,000	\$300,000	51	\$7,000	\$157,500	\$236,250
29	\$50,000	\$200,000	\$300,000	52	\$7,000	\$145,000	\$217,500
30	\$50,000	\$250,000	\$375,000	53	\$7,000	\$133,500	\$200,250
31	\$50,000	\$250,000	\$375,000	54	\$7,000	\$122,500	\$183,750
32	\$50,000	\$250,000	\$375,000	55	\$7,000	\$107,500	\$161,250
33	\$50,000	\$250,000	\$375,000	56	\$7,000	\$97,500	\$146,250
34	\$50,000	\$250,000	\$375,000	57	\$7,000	\$87,500	\$131,250
35	\$35,000	\$250,000	\$375,000	58	\$7,000	\$75,500	\$113,250
36	\$35,000	\$250,000	\$375,000	59	\$7,000	\$65,500	\$98,250
37	\$35,000	\$250,000	\$375,000	60	\$7,000	\$55,500	\$83,250
38	\$35,000	\$250,000	\$375,000	61	\$7,000	\$45,500	\$68,250
39	\$35,000	\$250,000	\$375,000	62	\$7,000	\$35,500	\$53,250
40	\$20,000	\$250,000	\$375,000	63	\$7,000	\$25,000	\$37,500
41	\$20,000	\$250,000	\$375,000	64	\$7,000	\$15,000	\$22,500
42	\$20,000	\$250,000	\$375,000	65	\$7,000	\$12,500	\$18,750
43	\$20,000	\$250,000	\$375,000	66	\$7,000	\$12,500	\$18,750
44	\$20,000	\$250,000	\$375,000	67	\$7,000	\$12,500	\$18,750
45	\$14,000	\$235,000	\$352,500	68	\$7,000	\$12,500	\$18,750
46	\$14,000	\$220,000	\$330,000	69	\$7,000	\$12,500	\$18,750
47	\$14,000	\$205,000	\$307,500	70	\$7,000	\$12,500	\$18,750
48	\$14,000	\$192,500	\$288,750				
49	\$14,000	\$180,000	\$270,000				

Chart 1: Death and TPD insurance cover scales

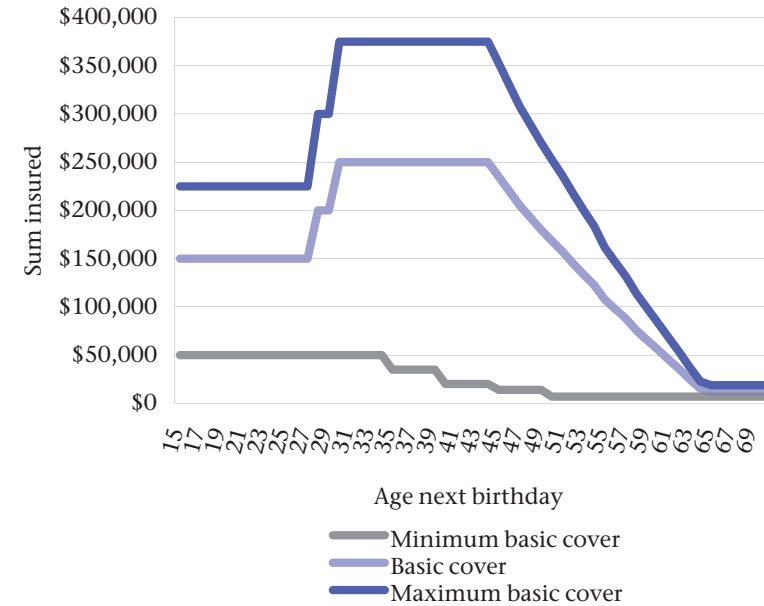


Table 4: Death and TPD cover premiums

These rates update the rates in the online update dated 27 February 2009.

Annual rates (payable in monthly instalments) per \$'000 insured					
Age next birthday	Death and TPD	Age next birthday	Death and TPD	Age next birthday	Death and TPD
16	0.44	38	0.73	60	6.33
17	0.44	39	0.80	61	6.86
18	0.44	40	0.87	62	7.41
19	0.44	41	0.94	63	8.02
20	0.44	42	1.03	64	8.79
21	0.44	43	1.13	65	9.63
22	0.44	44	1.26	66*	10.11
23	0.44	45	1.40	67*	11.12
24	0.44	46	1.57	68*	12.24
25	0.44	47	1.76	69*	13.46
26	0.44	48	1.98	70*	14.81
27	0.44	49	2.19		
28	0.44	50	2.43		
29	0.44	51	2.70		
30	0.47	52	2.99		
31	0.47	53	3.33		
32	0.49	54	3.67		
33	0.52	55	4.05		
34	0.55	56	4.45		
35	0.59	57	4.91		
36	0.63	58	5.42		
37	0.68	59	5.86		

*TPD cover is based on the activities of daily living (ADL) - see the **PSSap insurance** fact sheet at www.pssap.gov.au for more information.

Example: Emily

Emily is a permanent employee, aged 35 years.

Under Basic cover her death and TPD cover would be \$250,000. The annual premium Emily pays for her cover is, according to her age next birthday, $0.63 \times \$250,000/1,000 = \157.50 .

Monthly premium = $\$157.50/12 = \13.13 .

If Emily chose Maximum basic cover her death and TPD cover would be \$375,000. The annual premium Emily would pay for her cover is, according to her age next birthday, $0.63 \times \$375,000/1,000 = \236.25 .

Monthly premium = $\$236.25/12 = \19.69 .

Table 5: Income protection premiums

These rates update the rates in the online update dated 27 February 2009.

Annual rates (payable in monthly instalments) per \$100 monthly benefit																	
Waiting period	30 days	60 days	90 days	120 days	180 days	Waiting period	30 days	60 days	90 days	120 days	180 days	Waiting period	30 days	60 days	90 days	120 days	180 days
Benefit period	2 years	2 years	2 years	2 years	2 years	Benefit period	2 years	2 years	2 years	2 years	2 years	Benefit period	2 years	2 years	2 years	2 years	2 years
Age next birthday						Age next birthday						Age next birthday					
16	5.05	2.62	1.44	1.36	1.28	38	8.64	4.30	2.15	2.03	1.91	60	43.76	30.39	23.80	22.49	21.18
17	5.05	2.62	1.44	1.36	1.28	39	9.19	4.60	2.33	2.20	2.07	61	48.14	33.72	26.62	25.15	23.69
18	5.05	2.62	1.44	1.36	1.28	40	9.78	4.93	2.54	2.40	2.26	62	53.13	37.46	29.73	28.10	26.46
19	5.05	2.62	1.44	1.36	1.28	41	10.43	5.32	2.80	2.65	2.49	63	58.34	33.72	32.95	31.14	29.33
20	5.05	2.62	1.44	1.36	1.28	42	11.12	5.74	3.09	2.92	2.75	64	63.77	36.24	36.24	34.25	32.26
21	5.05	2.62	1.44	1.36	1.28	43	11.87	6.21	3.41	3.22	3.03	65	35.07	19.93	19.93	18.84	17.74
22	5.05	2.62	1.44	1.36	1.28	44	12.68	6.72	3.79	3.58	3.37						
23	5.05	2.62	1.44	1.36	1.28	45	13.53	7.27	4.20	3.97	3.74						
24	5.05	2.62	1.44	1.36	1.28	46	14.49	7.93	4.69	4.43	4.18						
25	5.05	2.62	1.44	1.36	1.28	47	15.53	8.66	5.27	4.98	4.69						
26	5.09	2.62	1.40	1.32	1.25	48	16.66	9.45	5.90	5.57	5.25						
27	5.17	2.62	1.38	1.30	1.23	49	17.89	10.35	6.63	6.26	5.90						
28	5.27	2.66	1.38	1.30	1.23	50	19.22	11.34	7.45	7.04	6.63						
29	5.43	2.72	1.38	1.30	1.23	51	20.70	12.45	8.38	7.92	7.46						
30	5.64	2.82	1.42	1.34	1.26	52	22.35	13.68	9.42	8.90	8.39						
31	5.88	2.90	1.44	1.36	1.28	53	24.14	15.07	10.61	10.03	9.44						
32	6.16	3.04	1.50	1.41	1.33	54	26.11	16.63	11.95	11.29	10.64						
33	6.47	3.17	1.56	1.47	1.39	55	28.23	18.28	13.37	12.63	11.90						
34	6.83	3.35	1.64	1.55	1.46	56	30.68	20.19	15.03	14.20	13.37						
35	7.23	3.55	1.73	1.64	1.54	57	33.40	22.34	16.88	15.95	15.02						
36	7.67	3.76	1.85	1.75	1.65	58	36.46	24.71	18.93	17.89	16.85						
37	8.12	4.02	1.99	1.88	1.77	59	39.87	27.39	21.24	20.07	18.90						

Example: Jessica

Jessica is aged 35 years. Her default income protection is 75% of her base salary with a 90 day waiting period. Her base annual salary is \$60,000.

At age next birthday each \$100 a month costs \$1.85. Jessica's annual sum insured is 75% x \$60,000 = \$45,000.

Her monthly sum insured is \$45,000/ 12 months = \$3,750 per month.

The annual premium Jessica pays for her income protection is based on her age next birthday, \$3,750 per month/100 x \$1.85 = \$69.38. Monthly premium is \$69.38/12 months = \$5.78 per month.