

NESS Super Notice to Members

NESS MySuper Investment Option introduction from 1 July 2013

Government reforms to superannuation will see many funds introduce a product called “MySuper” from 1 July 2013. MySuper is intended to be a simple superannuation product primarily for people who do not make a choice in regard to their superannuation.

NESS Super is in the process of applying for authorisation to offer a MySuper product, from the Australian Prudential Regulation Authority. It is expected that a MySuper authorisation will be granted to offer a MySuper product by 1 July 2013.

If a MySuper authorisation is granted, members invested in the Balanced option will have that balance attributed to the NESS MySuper Investment option as at 1 July 2013. The Balanced Investment option will simply be rebadged as the NESS MySuper Investment option. There will be no changes in the investment strategy as a result of the rebadging as at 1 July 2013. The only changes will be in relation to fees and charges, and to the NESS Super insurance offering as discussed later.

A MySuper Opt-out Form is available from the NESS Super website www.nesssuper.com.au

A PDS will be available on the website nesssuper.com.au from 1 July 2013.

You can choose to opt-out of the NESS MySuper option prior to 1 July 2013 by:

- Nominating another investment choice within NESS Super in respect of your account balance or your future contributions. If your request is received by 5pm (AEST) on the 20th of June 2013, your investment switch will be effective from 1 July 2013;

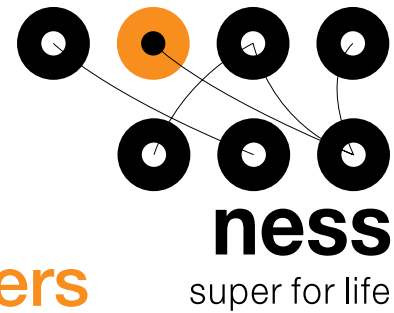
or

- Electing to transfer your account balance and/or your future contributions to a valid MySuper product of another superannuation entity. If your election is received by 1 June 2013, the transfer will be effective from 1 July 2013. Transferring your account balance and future contributions means your membership of NESS Super will be terminated;

or

- Electing to transfer your account balance to, and have any future contributions paid to, the valid Choice product of another superannuation entity. If your election is received by 1 June 2013, your transfer will be effective from 1 July 2013. Transferring your account balance and your future contributions means your membership of NESS Super will be terminated.

As at 1 July 2013, if you are not invested in the Balanced Investment Option, you do not need to do anything. There will be no change in how your account balance is invested.



NESS Super Notice to Members

ness
super for life

Changes to Insurance benefits from 1 July 2013 Including the introduction of Total and Permanent Disablement cover

At the same time as introducing NESS Super's MySuper product, a number of important changes have been made to our insurance offering. The changes are outlined in the enclosed "NESS Super Insurance changes from 1 July 2013" document. At NESS Super, we've got you covered...

Changes to fees and charges

Costs for administering NESS Super and meeting superannuation regulatory requirements continue to increase. While continuing to remain a low cost superannuation fund, a number of changes are being made to NESS Super's fee structure. Some of these changes will take effect at 1 June 2013 and others at 1 July 2013.

The changes are summarised below.

Type of fee or cost	Current	From 1 June 2013 to 30 June 2013	From 1 July 2013
Administration fee – Member fee	\$1.20 per member per week.	\$1.20 per member per week, plus \$25 deducted from each member's account in June 2013.	\$1.40 per member per week, plus \$25 to be deducted from each member's account in June 2014.
Administration fee – Asset based	0.15% p.a. of your account balance.	A range of 0.15% p.a. to 0.25% p.a. of your account balance.	A range of 0.15% to 0.25% p.a. of your account balance.

The effect of the changes to the fees from 1 June 2013, will be an additional Member fee of 20 cents per week, \$25.00 per year for the 2013 and 2014 review years only and up to an additional 0.1% of your account balance per year. The additional \$25 for these two years will fund the additional compliance costs associated with changes in superannuation.

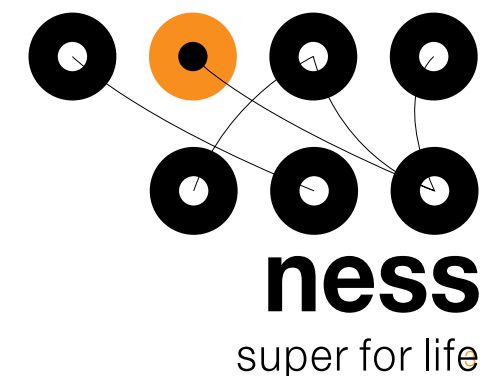
Further information

If you require further information about any of the changes outlined in this NESS Super Notice to Members please contact NESS Super on 1800 022 067.



NESS Super – we've got you covered.

NESS Super Insurance changes from 1 July 2013



NESS Super Insurance changes

In light of the new MySuper government reforms due to commence 1 July 2013, NESS Super has taken the opportunity to review and improve its insurance offering for its members. It is important that you read both this document and the NESS Super Insurance Guide available on the website at www.nesssuper.com.au.

Currently, NESS Super provides new members with default Death cover and default Temporary Salary Continuance (TSC) cover.

AT A GLANCE

The changes from 1 July 2013 will apply to all NESS Super Members (other than Spouse members and Pension members) as follows:

- **Default Total and Permanent Disablement (TPD) cover will be added to NESS Super's insurance offering.** TPD cover provides a lump sum benefit if you satisfy the definition of Total and Permanent Disablement (refer to the NESS Super Insurance Guide for the definition).
- **Default Death cover amounts for members under age 55 will increase, but the cost of default cover will decrease.**
- **All members at 1 July 2013 who are eligible for insurance cover (see page 8) will be provided with at least 2 units of Death, TPD and TSC cover.** This includes members who currently do not have insurance cover and members who have opted out previously. To be eligible for this cover you must meet the conditions set out on page 8 of this document. New Events cover may apply (see page 14).
- **Special arrangements will apply to members under age 30 who can opt down to 1 unit of Death cover.**
- **If you are under age 21, your TSC monthly insured benefit will increase from \$1,900 per month to \$2,400 per month.** (There are no changes to the level of default cover for TSC for members aged 21 or more.).
- The benefit payable on Terminal Illness will now be the lesser of your insured benefit for Death cover and \$3,000,000 (previously \$2,000,000).
- New reinstatement provisions will apply if your cover ceases due to insufficient funds in your account (see page 15).
- **If you are under age 21, you can elect before 1 July 2013 to reduce your TSC cover to 1 unit of TSC cover or \$1,200 per month.** On the date you reach age 21, your cover will be reinstated to 2 units of TSC cover without the need for medical evidence. At that time you can again elect to opt out of cover if you want, but there will be restrictions if, at some time in the future, you wish to reinstate cover.

All other terms and conditions remain the same and are subject to the terms and conditions of the Insurance Policy including exclusions and eligibility of insurance cover.

I have already opted-out of Death cover, why am I being insured again for Death cover?

NESS Super can only offer you TPD cover if you have Death cover. As you have not previously had the choice to have TPD cover, Death and TPD cover will be provided to you from 1 July 2013.

You can choose to opt out again for Death Cover by completing the Insurance Opt-out Form available on the website at www.nesssuper.com.au, but if you do so, you will also need to opt-out of TPD and TSC cover. If we receive your Insurance Opt-out Form by 1 July 2013, you will be deemed never to have been covered and no premiums will be charged to your account.

Death and TPD cover

The following table shows the current and new Death cover scales and the new scale for TPD cover:

Age last birthday	Current	From 1 July 2013		
	Default Death Cover – 2 units	Default Death Cover – 2 units of cover	Default TPD Cover – 2 units of cover	Increase in Default Death Cover – 2 units of cover
15 – 24*	154,800	160,000	160,000	5,200
25 – 29*	146,200	160,000	160,000	13,800
30 – 34	137,600	150,000	150,000	12,400
35 – 39	120,400	125,000	125,000	4,600
40 – 44	112,800	115,000	115,000	2,200
45 – 49	110,400	115,000	115,000	4,600
50 – 54	107,800	110,000	110,000	2,200
55	105,000	105,000	90,000	0
56	105,000	105,000	80,000	0
57	105,000	105,000	70,000	0
58	105,000	105,000	60,000	0
59	105,000	105,000	50,000	0
60	90,000	90,000	40,000	0
61	88,000	88,000	30,000	0
62	86,000	86,000	20,000	0
63	83,000	83,000	10,000	0
64	80,000	80,000	5,000	0
65	70,000	70,000	0	0
66	60,000	60,000	0	0
67	50,000	50,000	0	0
68	40,000	40,000	0	0
69	30,000	30,000	0	0
70	0	0	0	0

*Special opt-out arrangements apply to members under age 30.

Death and TPD cover

Special Death cover conditions for members under age 30

The number of units of TPD cover cannot exceed the number of units of Death cover. However, members aged under age 30 will be able to elect prior to 1 July 2013, 1 unit of Death cover but retain 2 units of TPD cover. Upon reaching age 30, you will automatically be reinstated to 2 units of Death cover.

You can apply to increase your Insurance cover for Death to 2 units at any time prior to age 30. However, if you are not in Active Employment (see definition on page 16) at that time, the additional unit of Death Cover will be subject to New Events cover.

Cost of Death Cover

All members with an age last birthday under 55 will receive an increased level of default Death cover. The cost of Death cover will decrease for all members as follows:

	Cost of one unit of Death cover	Cost of default Death cover – 2 units
Up to 30 June 2013	\$1.20 per week	\$2.40 per week
From 1 July 2013	\$1.17 per week	\$2.34 per week

Cost of TPD Cover

	Cost of one unit of TPD cover	Cost of default TPD cover – 2 units
Up to 30 June 2013	Not available	Not Available
From 1 July 2013	\$1.59 per week	\$3.18 per week

TSC cover

There are no changes to the level of default cover for TSC for members aged 21 or more. Currently, new members are provided with 2 units of TSC cover of \$2,400 per month. From 1 July 2013, all members will be provided with at least 2 units of TSC cover regardless of whether you have existing TSC cover or if you have opted out previously.

Members who are aged less than 21 are currently provided with 1.6 units of cover of \$1,900 per month. From 1 July 2013, members who are aged less than 21 will be provided with 2 units of TSC cover of \$2,400 per month. Existing members may elect to reduce their cover to 1 unit per month of TSC cover or \$1,200 per month prior to 1 July 2013. Upon reaching age 21, your TSC cover will be automatically reinstated to 2 units of TSC cover, which you have the right to opt-out of.

You can apply to increase your insurance cover to 2 units at any time prior to age 21. However, if you are not in Active Employment at that time (see definition on page 16), the additional cover will be subject to New Events cover.

CASE STUDY 1

As part of the NESS Super insurance changes at 1 July 2013, I am now insured for Default TSC cover in NESS Super and the insured TSC Benefit is \$2,400 per month. However, I am not working and do not have a monthly income.

I am aware that in the event of my Temporary and Total Disablement (refer to the NESS Super Insurance Guide for definition), I would not be eligible for a TSC benefit from NESS Super as TSC benefits are limited to 75% of my monthly income reduced by any other Disability Income paid to me while I am disabled.

What options do I have?

You can choose to opt out of TSC Cover by completing the Insurance Opt-out Form available from www.nesssuper.com.au. If we receive your Insurance Opt-out Form by 1 July 2013, you will be deemed never to have been covered for TSC and no premiums for TSC cover will be charged to your account.

If you later decide that you would like to be covered for TSC, you will need to provide medical evidence to the Insurer and your insurance cover will be subject to the Insurer's approval.

Alternatively, if you retain your TSC cover* (and hence continue to pay premiums), your insurance cover would not be subject to the Insurer's approval when you recommence work.

*May be subject to New Events cover.

Cost of TSC cover

From 1 July 2013, the cost of TSC cover will increase by 1.5 cents per unit per week as follows:

	Members aged over 21		Members aged 20 or less		
	Cost of one unit of TSC cover	Cost of default TSC cover – 2 units	Cost of 1.6 units of TSC cover	Cost of one unit of TSC cover	Cost of default TSC cover – 2 units
Up to 30 June 2013	\$0.625 per week	\$1.25 per week	\$1.00 per week	\$0.625 per week	\$1.25 per week
From 1 July 2013	\$0.64 per week	\$1.28 per week	Not available	\$0.64 per week	\$1.28 per week

Eligibility conditions for default Death, TPD and TSC cover – Existing Members at 1 July 2013

Eligibility Conditions for Insurance Cover – Existing members at 1 July 2013

Existing members at 1 July 2013 will be automatically eligible for default Death, TPD and TSC cover, provided that you meet the following conditions:

- You are either an Australian or New Zealand citizen, or a person who is a holder of an Australian permanent visa or resides in Australia on a 457 working visa;
- You are aged between 15 and 69 years (inclusive) for Death cover, 15 and 64 years (inclusive) for TPD cover and 15 and 64 years (inclusive) for TSC cover;
- You are not applying for, entitled to, or have not been paid a TPD benefit from any superannuation fund or life insurance policy. If this provision is not satisfied, then you will not be eligible for default insurance cover for TPD or TSC (if you do not already have cover);
- You have not been paid a terminal illness benefit from any superannuation fund or life insurance policy (if this provision is not satisfied, you will not be eligible for any default insurance cover from NESS Super and
- For TSC cover, you are not a Seasonal Worker*.

If you are not in Active Employment (see definition on page 16) at 1 July 2013, your insurance cover may be subject to New Events Cover (see “New Events cover” on page 14).

*Seasonal Worker means a person engaged in employment for a specific period of time or to complete a specific job, and where continuity of employment is not guaranteed, regardless of hours worked or period of employment.

TSC cover

CASE STUDY 2

I have just started work as an apprentice and I am aged 17. I am eligible for full default insurance cover. However, the maximum TSC monthly benefit I can receive is 75% of my monthly income reduced by any other Disability Income paid to me while I am disabled. My monthly income is \$2,100 per month.

In the event of my Temporary and Total Disablement, I would not be eligible for the full TSC benefit from NESS Super.

What options do I have?

As your monthly income is \$2,100 per month, the maximum TSC benefit you would receive would be \$1,575 per month, as benefits are limited to 75% of your monthly income.

As you are under 21 when you become a member of NESS Super and you have satisfied the eligibility conditions for full default cover, you can choose to reduce your TSC Cover by electing one unit of cover on your Member Application form. Your insurance premiums for TSC cover would then reduce from \$1.28 per week to \$0.64 per week, and your TSC cover would reduce to \$1,200 per month (57% of your monthly income).

When you reach age 21, your TSC cover will automatically increase to 2 units of cover without the need for you to provide medical evidence. You can also apply to increase your TSC cover to 2 units before age 21.

CASE STUDY 3

Default TSC cover in NESS Super is \$2,400 per month. I joined NESS Super while I was working with my Employer. However, I am now self-employed.

While my monthly income is \$5,000 per month, I claimed expenses of \$2,500 per month on my tax return. The maximum TSC monthly benefit I can receive is 75% of my monthly income reduced by any other Disability Income paid to me while I am disabled.

In the event of my Temporary and Total Disablement, what TSC benefit would I be eligible to receive?

Your monthly income would be calculated taking into account the following definition from the policy document:

“where the person directly or indirectly owns part or all of a business or practice which is the Employer, that person’s monthly income is 1/12th of the annual share of the income of that business or practice generated by that person’s personal exertion in the previous 12 months, after the deduction of their share of expenses in generating that income, or any other income we have expressly approved of.”

Your maximum monthly TSC benefit would be 75% of (\$5,000 - \$2,500) or \$1,875 per month less any other disability income paid to you while you are disabled.

Insurance changes summary table

The following table summarises the changes to NESS Super's insurance cover outlined in this document.

New Events Cover may apply to your insurance, please see New Events Cover below.

Current insurance cover*			Your insurance cover from 1 July 2013*			Comments
Member-ship group	Death cover	TSC cover	Death cover	TSC cover	TPD cover	
I am over age 21 and currently have default cover	2 Units	2 Units	2 Units You will continue to be insured for 2 units of Death cover and, if you are aged under 55, your default Death cover amount will increase. This increase in cover will be provided without the need to provide medical evidence. The premium for your cover will decrease from \$2.40 per week to \$2.34 per week.	2 Units No change in the level of TSC cover. The premium for your cover will increase from \$1.25 per week to \$1.28 per week.	2 Units You will automatically be provided with 2 units of TPD cover. The premium for this cover will be \$3.18 per week.	<p>You may choose to opt-out of death, TPD or TSC cover at any time. If you opt-out of death cover, your TPD and TSC cover will also cease.</p> <p>If you are under age 30 you can before 1 July 2013 opt-down to 1 unit of Death cover while retaining 2 units of TPD cover.</p> <p>You can choose to opt out of cover by completing the Insurance Opt-out Form. If we receive your Opt-out Form by 1 July 2013, you will be deemed never to have been covered for TPD and no TPD premiums will be charged to your account. If you opt-out of death and/or TSC cover, premiums for this cover will cease from the date your form is received by NESS Super.</p>
I am under age 21 and currently have default cover	2 Units	1.6 Units	2 Units You will continue to be insured for 2 units of Death cover and, if you are aged under 55, your default Death cover amount will increase. This increase in cover will be provided without the need to provide medical evidence. The premium for your cover will decrease from \$2.40 per week to \$2.34 per week.	2 Units Your TSC cover will increase to 2 units and your premium will increase from \$1.00 per week for 1.6 units to \$1.28 per week for 2 units.	2 Units You will automatically be provided with 2 units of TPD cover. The premium for this cover will be \$3.18 per week.	<p>You may choose to opt-out of death, TPD or TSC cover at any time. If you opt-out of death cover, your TPD and TSC cover will also cease.</p> <p>As you are under age 30 you can before 1 July 2013 opt-down to 1 unit of Death cover while retaining 2 units of TPD cover.</p> <p>As you are under age 21 you can before 1 July 2013 opt-down to 1 unit of TSC cover.</p> <p>You can choose to opt out of cover by completing the Insurance Opt-out Form. If we receive your Opt-out Form by 1 July 2013, you will be deemed never to have been covered for TPD and no TPD premiums will be charged to your account. If you opt-out of death and/or TSC cover, premiums for this cover will cease from the date your form is received by NESS Super.</p>

Insurance changes summary table

Current insurance cover*			Your insurance cover from 1 July 2013*			Comments
Member-ship group	Death cover	TSC cover	Death cover	TSC cover	TPD cover	
I currently have more than 2 units of Death cover or I currently have more than 2 units of TSC cover.	Current number of Death Units	Current number of TSC Units	Current number of Death Units You will continue to be insured for the current number of units of Death cover and, if you are aged under 55, the amount of default Death cover will increase. This increase in cover will be provided without the need to provide medical evidence. The premium for this cover will decrease from \$1.20 per week for each unit of cover to \$1.17 per week for each unit of cover.	Current number of TSC units No change in the level of TSC cover. The premium for this cover will increase from \$0.625 per week for each unit of cover to \$0.64 per week for each unit of cover.	2 Units You will automatically be provided with 2 units of TPD cover. The premium for this cover will be \$3.18 per week.	<p>You may choose to opt-out of death, TPD or TSC cover at any time. If you opt-out of death cover, your TPD and TSC cover will also cease.</p> <p>If you are under age 30 you can before 1 July 2013 opt-down to 1 unit of Death cover while retaining 2 units of TPD cover.</p> <p>If you are under age 21 you can before 1 July 2013 opt-down to 1 unit of TSC cover.</p> <p>You can choose to opt out of cover by completing the Insurance Opt-out Form. If we receive your Opt-out Form by 1 July 2013, you will be deemed never to have been covered for TPD and no TPD premiums will be charged to your account. If you opt-out of death and/or TSC cover, premiums for this cover will cease from the date your form is received by NESS Super.</p>
I am currently not insured for Death or TSC cover.	Nil	Nil	2 Units You will automatically be covered for 2 units of Death cover. The premium for this cover of \$2.34 per week will be deducted from your NESS Super Account.	2 Units You will automatically be covered for 2 units of TSC cover. The premium for this cover of \$1.28 per week will be deducted from your NESS Super Account.	2 Units You will automatically be provided with 2 units of TPD cover. The premium for this cover of \$3.18 per week will be deducted from your NESS Super Account.	<p>You may choose to opt-out of death, TPD or TSC cover at any time. If you opt-out of death cover, your TPD and TSC cover will also cease.</p> <p>If you are under age 30 you can before 1 July 2013 opt-down to 1 unit of Death cover while retaining 2 units of TPD cover.</p> <p>If you are under age 21 you can before 1 July 2013 opt-down to 1 unit of TSC cover.</p> <p>You can choose to opt out of Death, TPD and/or TSC cover by completing the Insurance Opt-out Form. If we receive your Opt-out Form by 1 July 2013, you will be deemed never to have been covered for the insurance cover you opt-out of and no premiums for that cover will be charged to your account.</p>

Insurance changes summary table

Current insurance cover*			Your insurance cover from 1 July 2013*			Comments
Member-ship group	Death cover	TSC cover	Death cover	TSC cover	TPD cover	
I am currently not insured for TSC cover but I am insured for Death cover	Current number of Death Units	Nil	<p>2 units or current number of units of Death cover if greater than 2.</p> <p>You will continue to be insured for the greater of 2 units and the current number of units of Death cover, if you are aged under 55, the amount of default Death Cover will increase. This increase in cover will be provided without the need to provide medical evidence.</p> <p>The premium for this cover will decrease from \$1.20 per week for each unit of cover to \$1.17 per week for each unit of cover.</p>	<p>2 Units</p> <p>You will automatically be covered for 2 units of TSC cover.</p> <p>The premium for this cover of \$1.28 per week will be deducted from your NESS Super Account.</p>	<p>2 Units</p> <p>You will automatically be provided with 2 units of TPD cover.</p> <p>The premium for this cover of \$3.18 per week will be deducted from your NESS Super Account.</p>	<p>You may choose to opt-out of death, TPD or TSC cover at any time. If you opt-out of death cover, your TPD and TSC cover will also cease.</p> <p>If you are under age 30 you can before 1 July 2013 opt-down to 1 unit of Death cover while retaining 2 units of TPD cover.</p> <p>If you are under age 21 you can before 1 July 2013 opt-down to 1 unit of TSC cover.</p> <p>You can choose to opt out of cover by completing the Insurance Opt-out Form. If we receive your Opt-out Form by 1 July 2013, you will be deemed never to have been covered for the TPD and/or TSC insurance cover you opt-out of and no premiums for that cover will be charged to your account. If you opt-out of death cover, premiums for this cover will cease from the date your form is received by NESS Super.</p>

* New Events cover may apply to your insurance, please see New Events cover on page 14. All insurance cover is not guaranteed and is subject to the terms and conditions of the Insurance Policy including exclusions and eligibility for insurance cover.

Your Options

Options to increase insurance cover

Currently all members with Death cover who are under age 55 and who satisfy certain conditions can elect to receive an additional one unit of Death cover for specific Life Events (refer to the NESS Super Insurance Guide for details). From 1 July 2013, this option will be extended to include Death and TPD cover when you are insured for both Death and TPD and you satisfy the conditions applying to LifeEvents cover.

All members can currently apply to the Insurer for additional Death and TSC cover, with Accident Cover (limited to the lesser of the amount you have applied for and \$10,000 per month for TSC) applying whilst this application is being assessed by the Insurer. You will also be able to apply to the Insurer for additional TPD cover. The maximum level of TPD cover that can be paid from the Scheme is \$3,000,000. This will include an allowance for any benefit you receive for another insurance or superannuation policy. Where an application for cover for additional TPD cover is being assessed, Accident Cover (refer to the NESS Super Insurance Guide for details) will be provided for TPD cover up to a maximum of the lesser of the requested benefit or \$1,500,000.

Options to reduce insurance cover or opt out of cover

You can opt-out of your insurance cover at any time or reduce the number of units of insurance cover. When you opt-out of cover, your cover and your premiums cease from the date your written notification is received by NESS Super. If we receive your Opt-out Form before 1 July 2013, any new cover to be provided to you on 1 July 2013 will be deemed never to have been provided, and no premiums will be charged to your account. (Refer to special Opt-out provisions for existing members of NESS Super at 1 July 2013).

The only restrictions are that:

- If you opt-out of all Death cover, your TPD cover and your TSC cover will also cease;
- The number of units of TPD cover cannot be more than the number of units of Death cover. The only exception is in respect of employees under age 30 who can hold one unit of Death cover and retain 2 units of TPD cover.

It is important to note that except for the special provisions that apply for Death cover for employees under age 30 and for TSC cover for employees under age 21, if you opt down to one unit of cover, you will need to provide medical evidence and apply to the Insurer to have your cover reinstated.

All members including members under age 21 for TSC cover who opt-out completely of all TSC cover and members under age 30 for Death cover who opt-out of all Death cover, will need to provide medical evidence and apply to the Insurer to have their cover reinstated.

Special Opt-out provisions for existing members of NESS Super at 1 July 2013

There are special arrangements which apply in respect of opting out of insurance cover for existing members of NESS Super at 1 July 2013:

- If you have previously opted-out of Death cover and elected not to be insured for Death and TSC cover, and you have now received Death, TPD and TSC cover from 1 July 2013, you can opt-out again for Death cover. However, if you opt-out of Death cover, your TPD and TSC cover will also cease. If we receive your Insurance Opt-out Form by 1 July 2013, you will be deemed never to have been covered for Death, TPD or TSC and no premiums will be charged to your account.
- All members will be able to opt-out of TPD cover. If we receive your Insurance Opt-out Form by 1 July 2013, you will be deemed never to have been covered for TPD and no TPD premiums will be charged to your account.
- If you joined the Scheme before 1 July 2011 and you were not previously insured for Death cover and you have now received Death, TPD and TSC cover from 1 July 2013, you can opt-out of Death cover. However, if you opt-out of Death cover, your TPD and TSC Cover will also cease. If we receive your Insurance Opt-out Form by 1 July 2013, you will be deemed never to have been covered for Death, TPD or TSC and no premiums will be charged to your account.
- If you joined the Scheme before 1 July 2011 and you were not previously insured for TSC cover and you have now received TSC cover from 1 July 2013, you can opt-out of TSC cover. If we receive your Insurance Opt-out Form by 1 July 2013, you will be deemed never to have been covered for TSC and no premiums will be charged to your account in respect of TSC cover.
- If you are under age 21, you can opt down to 1 unit of TSC cover and if you are under age 30, you can opt down to 1 unit of death cover. If we receive your Insurance Opt-out form by 1 July 2013, you will be eligible for the special arrangement for members under age 21 in respect of TSC cover and for members under 30 in respect of Death cover.

New Events Cover

New Events cover means that your insurance cover will be limited to an illness diagnosed or an injury that occurs on or after the date cover commenced.

New Events cover – Death

If you joined the Fund after 1 July 2011 and you did not meet the eligibility conditions for full default cover at the date you joined NESS Super, your Death cover will be subject to New Events cover for at least 24 months from the date your cover commenced. Your insurance cover will revert to Full Cover after this 24 month period once you are again in Active Employment.

New Events cover - TPD

For all existing members of NESS Super who are not in Active Employment at 1 July 2013, TPD cover from 1 July 2013 will be subject to New Events cover for at least 12 months. Your insurance cover will revert to Full Cover after this 12 month period once you are again in Active Employment.

New Events cover – TSC

If you were not in active employment at the date your TSC cover commenced, your TSC cover will be subject to New Events cover for at least 24 months from the date your cover commenced. Your insurance cover will revert to Full Cover after this 24 month period once you are again in Active Employment.

If you joined NESS Super after 1 July 2011 and you did not meet the eligibility conditions for full default cover at the date you joined NESS Super, your TSC cover will be subject to New Events cover for at least 24 months from the date your cover commenced. Your Insurance cover will revert to Full Cover after this 24 month period once you are again in Active Employment.

Increase in Terminal Illness Benefit

From 1 July 2013, the benefit payable on Terminal Illness (refer to the NESS Super Insurance Guide for details) will be the lesser of your insured benefit for Death and \$3,000,000. Prior to 1 July 2013, the amount of the Terminal Illness Benefit was the lesser of your insured benefit for Death and \$2,000,000.

If you receive a Terminal Illness benefit and you subsequently die, provided you have remained a member of NESS Super and you continue to pay premiums, your insured Death benefit will be the difference between your insured benefit for Death and any Terminal Illness benefit that has already been paid.

New Reinstatement Provisions

NESS Super will introduce new reinstatement provisions from 1 July 2013 in respect of your insurance if your insurance ceases as a result of insufficient funds in your account. Under the new provisions, your cover will be reinstated upon receipt of an On-time Employer contribution by NESS Super. On-time Employer contributions are generally defined as employer contributions received by the Scheme within 180 days of the effective date of that Employer contribution. However, there are conditions relating to how your insurance cover will be reinstated as follows:

Within 6 months of cover ceasing due to insufficient funds in your account

Where your cover has involuntarily ceased, if an On-time Employer contribution is received for a period within 6 months of cover ceasing, cover will be reinstated at the previous type and level of cover. Cover will recommence from the first day of the period for which the On-time Employer contribution relates.

More than 6 months after cover ceasing due to insufficient funds in your account

Where cover has involuntarily ceased, if an On-time Employer contribution is received for a period more than 6 months after cover ceasing, cover will be reinstated at the previous type of cover and at the lesser of Default cover and the previous amount of cover and level of cover. Cover will recommence from the date that the On-time Employer contribution is received by NESS Super.

Reinstatement when member has elected to Opt-out of Cover

If your insurance cover ceased due to you writing to NESS Super requesting cancellation of your insurance cover, no reinstatement of cover applies and all cover will be subject to underwriting and will commence from the date that the Insurer advises in writing.

Recommencement conditions

Recommencement of cover as outlined above is subject to you:

- being in Active Employment on the date cover recommences. If you are not in Active Employment, full Death cover and where applicable New Events TPD and TSC cover will apply until you are again in Active Employment, at which time full TPD and TSC cover will commence; and
- not applying for, being entitled to, or having been paid a TPD benefit from any superannuation fund or life insurance policy. If so you will only be eligible for death cover; and
- not applying for, being entitled to, or having been paid a terminal illness benefit from any superannuation fund or life insurance policy. If so then you will not be eligible for any insurance cover; and
- where immediately prior to your cover ceasing, cover was provided under a New Events basis, if cover recommences, these terms will continue to apply to your recommenced cover.

What do I do now?

You do not have to do anything. All members of NESS Super who meet the eligibility conditions (see page 8), will automatically be provided with at least 2 units of Death, TPD and TSC cover from 1 July 2013. If you had more units of Death and TSC cover through underwriting at 30 June 2013, you will at 1 July 2013 retain the number of units you previously had at that date.

If you wish to opt-out of cover or reduce your cover, you will need to complete the Insurance Opt-out Form which can be found at www.nesssuper.com.au and return it to NESS Super.

Special Opt-out provisions apply to members at 1 July 2013 (see page 13) and New Events cover may apply (see page 14).

Definitions

The following definitions form part of the insurance policy by which insurance cover is provided to you.

Accident Cover

means only where a claim is as a result of Injury solely by visible, violent and external means to the body.

Active Employment

means that the member is:

- (a) is actively performing all of the duties and hours of their usual occupation without restriction due to Illness or Injury; or
- (b) if on Employer approved leave (except leave caused by any Illness or Injury) they would be able to attend work and perform their normal duties and hours without restriction due to Illness or Injury; or
- (c) if a Spouse member performing Home Duties, is actively performing all the functions of Home Duties.

Cognitive Loss

means we have determined a total and permanent deterioration or loss of intellectual capacity which requires the member to be under the continuous care and supervision by another adult person for at least 3 consecutive months and, at the end of that 3 month period, they are likely to require permanent ongoing continuous care and supervision by another adult person.

Contractor

means a person who is working on a fixed term contract with a duration of at least 12 months that requires the person to perform identifiable duties for a regular number of hours each week.

Date of Disablement

means the date on which TPD is treated as having occurred which is the earlier of:

- (a) The date on which the 3 consecutive months' absence from work that results in TPD began, or
- (b) The date on which the 3 consecutive months' inability to perform Home Duties that results in TPD began, or
- (c) The date the member suffers the loss of the sight in both eyes, or the use of both limbs, or the sight in 1 eye and the use of 1 limb, or

- (d) The date the member suffers the loss of the sight of another eye or the use of another limb, having already suffered the loss of the sight of an eye or the use of a limb,

where:

- (a) Loss of sight means the complete and irrecoverable loss of sight which is permanent, and
- (b) Loss of the use of a limb means the permanent loss of the use of a leg from at or above the ankle or an arm from at or above the wrist which is permanent.

Doctor

means a qualified medical practitioner registered to practice in Australia or New Zealand or as otherwise agreed by us. That person may not be the member, a business partner, an immediate family member or the employer of the member.

Home Duties

means an Insured Person is performing Home Duties if they are on a full time basis doing all duties related to running the family home. This includes Cleaning, Cooking, Washing, Shopping and where applicable Carer. Where:

- (a) Cleaning – means cleaning the family home (such as using a vacuum cleaner, sweeping with a broom, using a mop, cleaning dishes (automatic or manually));
- (b) Cooking – means cooking the family meals (such as preparing fresh or frozen food, using an oven, stove or microwave oven).
- (c) Washing – means doing the family laundry (such as loading and unloading a washing machine and hanging out clothes or using a dryer, folding clothes and ironing);
- (d) Shopping – means shopping for food and household items (such as attending shops or using the phone or internet to purchase food or household items for the family);
- (e) Carer – means taking care of dependent children less than 16 years of age or in full time secondary education (such as supervising, lifting, transporting, feeding and bathing) or providing full time care for invalid member(s) of the Insured Person's immediate family.

Definitions

Illness

means a sickness, disease or disorder.

Injury

means bodily injury caused by violent, external and visible means.

New Events

means cover for a member for claims arising from an illness or injury that first occurred on or after the date cover last commenced or recommenced.

Other Occupation

means any occupation the member is qualified to perform by their education, training or experience at the time we assess the claim, and includes:

- (a) Part-time occupations, and
- (b) An occupation which may be perceived by the member to be of lower status than the member's previous occupation or an occupation in which the member does not earn as much income as they did in the previous occupation.

Permanent Employee

means an employee who is employed on a permanent basis under an ongoing contract of indefinite duration that:

- (a) Requires the employee to perform identifiable duties for a regular number of hours each week, and
- (b) Provides the employee with paid annual leave, sick leave, leave loading and long service leave.

Total and Permanent Disablement

Means in respect of a member who is:

- Aged less than 65 and is gainfully employed as a Permanent Employee or Contractor, and is working 15 or more hours each week within the 6 months prior to the Date of Disablement, is determined under either Part 1, Part 2, or Part 3,
- Aged less than 65 and who was not gainfully employed as a Permanent Employee or Contractor, and working 15 or more hours each week within the 6 months prior to the Date of Disablement, is determined under either Part 2 or Part 3.

Part 1 - Unlikely to Return to Work

The member is unable to do any work as a result of Injury or Illness for 3 consecutive months and in our opinion at the end of that 3 months they continue to be so disabled that they are in our opinion unlikely to resume their previous occupation at any time in the future and will be unlikely at any time in the future to perform any Other Occupation.

Part 2 - Loss of Use Of

The member suffers the total, permanent and irrecoverable loss of:

- (a) The use of 2 limbs, or
- (b) The sight of both eyes, or
- (c) The use of 1 limb and sight of 1 eye, and

in our opinion they continue to be so disabled that they are in our opinion unlikely to resume their previous occupation at any time in the future and will be unlikely at any time in the future to perform any Other Occupation.

where:

- (a) Loss of sight means the complete and irrecoverable loss of sight which is permanent, and
- (b) Loss of the use of a limb means the permanent loss of the use of a leg from at or above the ankle or an arm from at or above the wrist which is permanent.

Part 3 – Home Duties

The Insured Person suffers an Illness or Injury which wholly prevents them from:

- (a) engaging in Home Duties for at least 3 consecutive months; and
- (b) since they became ill or injured, they have been under the regular care and attention of a Doctor for that Illness or Injury; and
- (c) in our opinion, the Illness or Injury means that they are unlikely to ever again be able to engage in Home Duties without assistance from another adult person, despite the use of appropriate aids; and
- (d) in our opinion, at the end of that 3 months they continue to be so disabled that they are in our opinion unlikely to resume their previous occupation at any time in the future and will be unlikely at any time in the future to perform any Other Occupation.

Notes

Notes

New South Wales Electrical Superannuation Scheme (trading as NESS Super)

ABN 72 229 227 691, RSE Registration No: R1000115 AFSL No: 238945

