



Insurance with Rest

Understanding insurance in super

Your future is in good hands

Super. It's your money, and your future – so deciding how you spend it is important.

With our award-winning insurance provider TAL¹, who is trusted by around 4 million Australians², Rest cover is designed to provide affordable financial protection to you and those who depend on you.

Your insurance cover with Rest

Most members who join Rest can choose to receive default insurance, paid for by money in their super. At Rest this can include:



Death Cover **Provide for their future**

To provide for the future of your loved ones, if you die, they could receive a single payment, or a regular pension. Without your support, this can help with day-to-day costs, paying off the mortgage, school fees and more.



Total and Permanent Disability **For when you can't work again**

Support yourself and your loved ones, if you can't work again because you become totally and permanently disabled from being sick or injured. You could receive a single payment to help pay ongoing medical costs, your mortgage, or other expenses your salary goes on.



Income Protection **For when you can't work for a bit**

Provide for yourself and your loved ones if you can't work for an extended period because of injury or illness. You could receive a monthly payment to replace up to 77% of your income³ (plus you may have a component paid into your super account), to use on day-to-day bills or other things you need while you can't work.

¹ 2019 Overall Platinum Life Company of the Year Winner, Trauma/Critical Illness Product of the Year. Awards and ratings are only one factor to consider in deciding how to invest super. More information on these awards can be found at tal.com.au/about-us/who-we-are/awards-and-recognition

² As at 13 February 2020, tal.com.au/about-us/who-we-are

³ Rest Super provides up to 77% of pre-disability income and Rest Corporate up to 75% of pre-disability income.



4 As at 13 February 2020, moneysmart.gov.au/how-life-insurance-works/insurance-through-super
5 As at 13 February 2020, finder.com.au/australian-home-loan-statistics
6 Rice Warner, 'Under insurance in Australia 2015'.
7 As at 13 February 2020, finder.com.au/life-insurance-and-the-cost-of-raising-children
8 As at 13 February 2020, finder.com.au/credit-cards/credit-card-statistics

Why choose insurance through super

Insurance can give you, and your family peace of mind that what you've created in life is financially protected if something unexpected happens to you.

The benefits



Cheaper premiums – At Rest, we keep premiums lower because we buy our policies in bulk. With 815,000 insured members⁹, we can negotiate a competitive cost, so it is always worth comparing costs.



Easier to pay – Paying from your super means it could be easier to manage because you aren't dipping into your take home pay.



Increase cover when needed – Rest lets you increase default cover, but you may need to answer questions and provide evidence of your health. New members can usually take up our Special Offer, without needing medical tests. For times in life like getting married or having kids, we also offer Life Event cover to increase protection by answering just a few health questions, without needing medical evidence. Check the Insurance Guide for options.



Tax-effective payments – If you pay tax, paying premiums with super could make insurance tax-effective and relatively cheaper, as employer contributions into super are usually taxed at 15%. This is less than the lowest tax rate take home pay is taxed at.

Some considerations



Ends by age 70 – Insurance cover at Rest generally ends by age 70. Outside of super, it may continue as long as you pay the premiums.



Limited amount of cover – The amount of default cover you can get in super is not tailored to your situation. As it's based on the average needs of a large group of people it could be different to what you need. Rest generally offer income protection up to 77% of your salary with payments for up to 5 years.¹⁰ So, you need to consider how much is right for you and if you need more or less than what you are offered.



Cover can end – If you change super funds, your contributions stop or your super account becomes inactive, your cover may end. You could end up with no insurance. If you have a pre-existing medical condition or are over 60, you may not be able to transfer your cover to another insurer or super fund, so check your options before you cancel.



Reduces your super – Insurance premiums are paid from your super account. This reduces the amount of money your super can invest, reducing your savings for retirement. Consider other money also paid from your super, like investment fees and administration costs, to work out if you'd prefer a larger amount to invest for the future, or protection in case something was to happen to you sooner. Especially if you work on a casual or part-time basis, where there's potentially more money leaving your account than flowing in.



Who gets paid – There are strict rules on how a death benefit, including any insurance benefit, is paid out from super and it's up to the super fund's trustee how this is done. Generally, your dependants or legal personal representative (LPR) can receive a death benefit. When you make a 'binding nomination' (which needs to be renewed every 3 years), the trustee must pay the dependant or LPR you choose. If you make a 'non-binding nomination', the trustee uses this as a guide only. Nominations must be valid when the member dies, so dependants need to be reviewed regularly, or they may not qualify to be paid.



Payouts could be taxed – Generally, insurance payouts outside of super are not taxed. Because super is taxed at a low rate, when your beneficiary is paid, they could be taxed if the ATO do not classify them as dependent on you. You may want to see an accountant or financial adviser about this.



Payouts can be delayed – Death insurance payouts are paid to the super fund first. The trustee must decide how to distribute the money to the beneficiaries. This can sometimes mean a delay. Income protection and TPD payments can be more straightforward.



Duplicate policies – If you have more than one super fund you may have more than one insurance policy you're paying for. You can also usually only claim on one policy, so it's worth reviewing your needs.

⁹ Rest as at 17 April 2020.

¹⁰ Rest Super provides up to 77% of pre-disability income and Rest Corporate up to 75% of pre-disability income. If you have income protection insurance cover, you can check the details of your waiting and benefit period in MemberAccess.

We're here to help

Financial advice when you need it

Rest Advisers can help you understand the pros and cons of insuring through super, so you make the right decision for you, usually at no extra charge.¹¹ Call 1300 300 778 to set up a chat, or book a call at rest.com.au/member/advice/restadvice-phone

Work out how much you need

The Rest insurance needs calculator can help you work through how much insurance you need. Visit go.rest.com.au/insurance-explained

Are you in between jobs?

It's important to check you've still got the right income protection to suit your long-term needs. Income protection protects you from losing work due to illness or injury. So, while it can't help if you lost your job or have been stood down now – it could still protect you in future by paying up to 77% of your income¹² if you're too ill or injured to work for an extended period. Find out more at rest.com.au/coronavirus

How to check your insurance through super

You're in control

Find out what insurance cover you have with Rest:

-  Check it online on the insurance tab, at rest.com.au/memberaccess
-  Call **1300 300 778** Monday to Friday 8am – 10pm (AEST)



Want more information on insurance?

Visit go.rest.com.au/insurance-explained

¹¹ Rest financial advice is provided to members by Rest Advisers as authorised representatives of Link Advice Pty Limited ABN 36 105 811 836 AFSL 258145.

¹² Rest Super provides up to 77% of pre-disability income and Rest Corporate up to 75% of pre-disability income.

This information has been prepared without taking account of your objectives, financial situation or needs. Before acting on the information or deciding whether to acquire or hold a product, consider its appropriateness and the relevant PDS which is available at rest.com.au/pds. The cost of providing financial services is included in the fees as disclosed in the relevant PDS. Rest and the Fund do not charge additional fees or obtain commissions for the advice provided. Rest employees are paid a salary and do not receive commissions. They may receive a performance related bonus that takes into account the financial services provided. Super Investment Management Pty Limited, a wholly owned subsidiary of Rest, manages some of the Fund's investments. Rest has no other relationships or associations with any related body corporate or product issuer that might reasonably be expected to influence Rest in providing financial services. For more information contact us at rest.com.au/contact-us. Issued by Retail Employees Superannuation Pty Limited ABN 39 001 987 739 (Rest), trustee of Retail Employees Superannuation Trust ABN 62 653 671 394 (Fund). This material is current as at 20 July 2020 and is subject to change. GHO RES1038_Understand