

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 protect more than 5 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 & Permanent Disability

For when you can't work again

Support yourself and your loved ones, if you are unlikely to ever work again in a suited occupation because you become totally and permanently disabled from being sick or injured. You could receive a single payment to help pay medical costs, your mortgage, or other expenses your salary would normally have been used for.



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 Awards and ratings are only one factor to consider. More information on these awards can be found at tal.com.au/about-us/who-we-are/awards-and-recognition

² More information about TAL can be found at tal.com.au/about-us/who-we-are

³ Rest Super provides up to 77% of your pre-disability income with the 12% super component based on your benefit amount. Rest Corporate provides up to 75% income and 12% super component based on your pre-disability income.



of Australians with life insurance hold it **in super**⁴



The average Australian **home loan fund** is around

\$593,475⁵

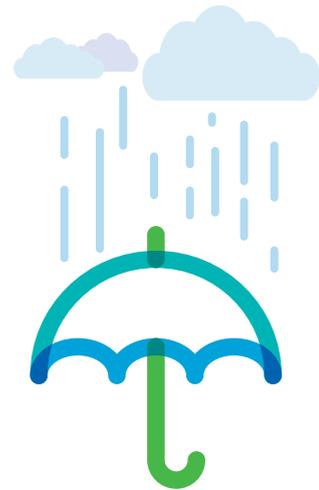
but many in major cities may be higher



It could cost up to

\$548,500

to raise a child⁷



More than

1 million

Australians are underinsured for death/TPD and 3.4 million are underinsured for income protection⁶



Average credit card balances are around

\$2,967⁸

4 As at 9 March 2021, prod.apra.shared.skpr.live/life-insurance-superannuation-improving-outcomes-for-members

5 As at July 2023, finder.com.au/australian-home-loan-statistics

6 NMG Consulting, 'Australia's Life Underinsurance Gap: Research Report October 2022', <https://www.fsc.org.au/resources/2537-fsc-australias-life-underinsurance-gap-research-report-2022/>

7 As at July 2023, finder.com.au/life-insurance-and-the-cost-of-raising-children

8 As at July 2023, 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. Please see the Insurance Guide for further information on any of the below.

The benefits



Competitive premiums – At Rest, we keep premiums lower because we buy our policies in bulk. With almost 700,000 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.



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. Rest offer Default Income Protection cover on an age based scale and is based on the average salaries of Rest members working in the retail industry. The maximum cover available at claim time is the lesser of the age based scale and 77% of your salary, plus a super component with payments for up to 5 years (unless you have a to age 60 benefit period).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 and your contributions stop, your cover may end if you don't tell us you want to keep it and no money is received into your account for 13 months. Cover can also end if you don't have funds to pay for it. Please note, If you want to transfer your cover to another super fund, check that you are eligible and will be accepted before you cancel with us. You won't be able to get it back once it's cancelled without providing medical evidence.



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 Rest Super policy with insurance, you will only be able to claim on one of the policies, so please advise us if this is the case so we can merge the policies and refund you for the duplicate insurance. Rest does not prevent you also claiming for death and TPD with other products or super funds, but your income protection cover may be offset- so it's worth reviewing your needs.

⁹ Rest as at 30 June 2023

¹⁰ Rest Super provides up to 77% of your pre-disability income with the 12% super component based on your benefit amount. Rest Corporate provides up to 75% income and 12% super component based on your 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

To read more about the insurance we offer through Rest, please read the Insurance Guide at rest.com.au/pds

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 – 8pm (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.

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