

The benefits of having insurance via your super fund

Most superannuation funds, including Equipsuper, provide insurance for members. There are a number of benefits of having insurance through your super fund. The key ones are:

Lower costs

The premium rates charged for insurance in super funds are generally lower than the rates you would pay if you purchased cover independently from a life insurance company. The two key reasons for this are:

- > insurance through a super fund will generally not have any commission attached to it; and
- > the group purchasing power of a super fund means that lower premiums can be negotiated.

Tax effective

Because the premiums are simply debited from your account, they effectively reduce the amount of contributions tax that would otherwise be payable on any pre-tax super contributions, making them very tax effective. Outside of super, the premiums for death and total and permanent disablement insurance are not normally tax deductible to individuals.

Less health evidence required

Typically super funds are able to provide a reasonable level of insurance cover to you when you first join the fund, without you having to provide any health evidence (so long as you were able to do your normal duties on your first day of work). This is known as automatic acceptance. People taking out private insurance will normally be required to complete a detailed medical statement before being granted insurance cover.

The advantage of automatic acceptance is that if you have an existing medical condition, you may still be able to get some insurance cover.

Simplicity

Because the premiums are simply debited to your super account on a regular basis, (monthly in Equipsuper) you don't have to worry about remembering to pay your premiums or to budget for the costs from your pay. This also means that your cover will never accidentally lapse, providing your super account has sufficient funds to pay your premiums.

Your beneficiaries

One thing to keep in mind when you nominate your beneficiaries is that depending on who you nominate, your benefit may be taxable upon your death. If your benefit is paid to your spouse or dependent child, your benefit will be tax-free. However, if it is paid to anyone else, then it may be taxed at up to 16.5%.

This brochure is for general information only. It has been prepared without taking into account your personal objectives, financial situation or needs. You should consider whether this information is appropriate to your personal circumstances before acting on it and, if necessary, seek professional financial advice. If you are considering investing in the Equipsuper Superannuation Fund ABN 33 813 823 017, you should read the appropriate Equipsuper Product Disclosure Statement (PDS) before making an investment decision. You can obtain a PDS via our website or by contacting the Helpline.

The taxation information included in this brochure is a general guide only. As taxation laws are complex and individual circumstances vary, you should seek individual taxation advice from a qualified advisor.

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