

CHANGES TO INSURANCE IN SUPERANNUATION FROM 1 JULY 2019

IMPORTANT CONSUMER INFORMATION

The Federal government recently changed superannuation laws to reduce the number of duplicate superannuation accounts and to reduce unnecessary fees and charges.

The main changes relate to people with inactive accounts. An “inactive account” is a superannuation account which hasn’t received any contributions for 16 months or more.

Any inactive account with continuing insurance cover will have that insurance switched off on 1 July 2019 unless the member tells the fund that they want to continue the cover or make a contribution or rollover to the fund before that date.

There are 3 million such accounts in Australia and many financial counsellor clients have started receiving the letters from their super funds in the last few weeks.

Many are not sure what the letters mean or what they should do.

Listed below are some Qs & As to help.

Q1 What does the letter mean?

A. If you have a superannuation fund that hasn’t had any contributions paid in for 16 months, the insurance cover will be cut off on 1 July 2019 unless you continue the cover.

Q2 How do I continue insurance cover?

A. You should:

- Contact the fund (by telephone or online) and tell them you want to continue the cover, or
- Make a superannuation contribution into the fund.

YOU MUST DO THE ABOVE BEFORE 1 JULY 2019

Victorian Office
Mail: PO Box 179, Moonee Ponds Vic 3039 Mail
Location: Level 1, 650 Mt Alexander Road, Moonee Ponds
Ph: 03 9448 8048

Queensland Office
Mail: PO Box 12129, George Street, Brisbane, QLD 4003
Location: Level 15, 239 George Street, Brisbane
Ph: 07 3166 9034

Q3 What happens if I do nothing?

A. Your existing insurance cover under that fund will lapse. This means that if you become disabled or die after that date, you may not be covered for insurance under this fund. You may still have cover under another fund.

Q4 What happens if I continue the insurance cover?

A. If you die or become disabled after 30 June 2019, you will still be covered and if you continue with that cover, you may be able to claim it if you become disabled or die in the future.

Q5 I have a current TPD or income protection claim on foot. Does this affect me?

A. No. As long as you had insurance cover when you last worked or became disabled, your claim can continue.

Q6 I haven't lodged a TPD or income protection claim yet, but I am disabled. Do I have to continue the cover?

A. Again, as long as you had insurance cover when you last worked or became disabled, you may still have a claim and may not need to continue the insurance cover.

Q7 How do I find out what super funds I have?

A. You can log onto your MyGov account, call the ATO on 131 020 or get expert advice.

Q8 What should I do?

A. We are not financial advisers so we can't give you personal financial advice. However, if you have any illnesses or injuries and are struggling to find or stay in work, or

- are working part-time or on light duties because of a disability;
- want the security of insurance cover for your mortgage or your current income or retirement income

then you should strongly consider continuing the insurance cover.

Q9 Where can I get help?

A. You can contact us or a financial counsellor for advice about what you should do.