



Fire & Emergency Services
Superannuation Fund

SIGNIFICANT EVENT NOTICE

Changes to your insurance

The Fire and Emergency Services Superannuation Board believes that the insurance cover you have in the Fire and Emergency Services Superannuation Fund (FES Super) is essential in providing a valuable safeguard for both you and your family in the event of your death or disability.

What are the changes?

- The Australian Federal Government passed the Putting Members' Interests First legislation, which took effect on 1 April 2020. If you are a member who recently joined FES Super as an Accumulation member, currently have a low balance or are under the age of 25, you may be impacted by these changes. **Defined Benefit members are not impacted by this legislation change.**
- FES Super has re-negotiated the premiums for Death and Total and Permanent Disablement insurance cover and the premiums and waiting periods for Income Protection insurance cover.
- Other changes to insurance conditions and definitions that may apply to you.

Who is not affected by any of these changes?

Anyone who:

- Resigned or retired from the Department of Fire and Emergency Services BEFORE 1 April 2020; or
- Turned 65 years of age BEFORE 1 April 2020.

1. What is the Putting Members' Interests First (PMIF) legislation?

The PMIF legislation is designed to protect members' super savings from unnecessary erosion by insurance premiums. The legislation includes two key changes for superannuation funds who provide their members with insurance cover:

- a) From 1 April 2020, superannuation funds must cancel insurance cover for Accumulation members with account balances that have not reached \$6,000; and
- b) On an ongoing basis from 1 April 2020, only Accumulation members who have turned 25 years of age and have reached an account balance of \$6,000 are automatically eligible for insurance cover.

The information below details these changes for FES Super Accumulation members.

a) Changes for members with an account balance less than \$6,000 and having insurance on 1 April 2020

Generally, FES Super Accumulation members with insurance cover and an account balance that has not reached \$6,000 by 1 April 2020 have had their insurance cover cancelled. We have contacted all members affected by this change and asked if they wish to opt in to insurance cover.

If we have contacted you and you wish to keep your insurance cover, please let us know by completing the Opt In to Insurance form available from www.fessuper.com.au/publications

Requests to keep insurance cover cannot be taken over the phone as we are required by law to have your request in writing.

If you have chosen not to have insurance cover now and then decide later that you wish to have cover, the FES Super insurer requires evidence of your health before cover can restart.

Whilst some members may be exempt from this change, we encourage all Accumulation members with a low account balance (below \$6,000) and with insurance cover to consider the impact of insurance premiums on their account and to make a decision on whether the insurance cover they have is right for them.

If you need help to determine whether insurance cover is right for you, we encourage you to speak with your financial adviser or to contact us on (08) 9382 8444 for more information.

You can also refer to ASIC's MoneySmart website at www.moneysmart.gov.au for additional information about insurance through your super.

b) Insurance rules for new members from 1 April 2020

From 1 April 2020, new Accumulation members who are less than 25 years of age and have an account balance that has not reached \$6,000 will not automatically have insurance cover.

If a new member has reached 25 years of age AND has an account balance of at least \$6,000, they will automatically be allocated with two (2) units of Death and Total and Permanent Disablement insurance cover and Income Protection insurance cover.

New members may opt in to insurance cover before they have reached 25 years of age AND have an account balance of at least \$6,000 by completing the Opt In to Insurance form available from www.fessuper.com.au/publications

If FES Super receives the completed Opt In to Insurance form within 30 days of the date the member joined the Fund, their insurance cover is provided on a "New Events" basis – refer to the "Important eligibility terms and conditions" section.

If a member chooses not to have insurance cover when they first join the Fund and then decides later that they wish to have cover, the FES Super insurer requires evidence of their health before cover can start.

Requests to keep insurance cover cannot be taken over the phone as we are required by law to have such requests in writing.

Important eligibility terms and conditions

Members must meet the eligibility requirements before insurance cover can be provided. These eligibility rules now include turning 25 years of age AND reaching an account balance of \$6,000.

Once cover commences, it will be subject to a Limited/New Events condition that will apply until you have been at

work, actively performing or capable of performing all your normal duties and hours, without limitation or injury for 30 consecutive days.

Limited/New Events Cover means you are only covered for an illness that first becomes apparent or an injury which first occurs on or after the date your cover began.

Limited/New Events Cover only applies until you have been At Work for 30 consecutive days. After that time, cover will no longer be limited to a New Events basis. The basis of cover will be assessed at the time you submit a claim.

2. Death and Total and Permanent Disability Insurance Cover - Updated premiums

The following premiums apply from 1 July 2020:

Where your duties are:	Death and TPD Cover	Death cover only
Non-Firefighter duties ^{1,2}	\$1.27 per unit per week (\$2.54 per week for 2 units cover)	\$0.83 per unit per week (\$1.66 per week for 2 units cover)
Firefighter duties ³ (Additional voluntary cover)	\$3.81 per unit per week	\$2.48 per unit per week
Spouse Member ⁴	\$2.29 per unit per week	\$1.49 per unit per week

1. Eligible permanent employees who normally perform non-firefighter duties who opted to join the Accumulation Fund and not the Defined Benefit Fund must hold a minimum of two units of Death and Total and Permanent Disability Insurance and Income Protection Insurance cover, unless they opt out of cover.
2. Eligible permanent employees who normally perform non-firefighter duties who joined the Defined Benefit Fund and wish to have insurance cover that is additional to the cover they already have as part of their Defined Benefit account.
3. Firefighters who wish to have insurance cover that is additional to the cover they already have as part of their Defined Benefit account.
4. Spouse members may apply for insurance cover and may be required to provide evidence of their health.

The insured benefit is determined in accordance with the number of units in the following scale:

Age next birthday	Agreed Benefit (per unit)	Age next birthday	Agreed Benefit (per unit)	Age next birthday	Agreed Benefit (per unit)
16-30	89,500	42	44,000	54	9,750
31	89,500	43	49,500	55	8,500
32	87,500	44	35,000	56	7,500
33	85,000	45	30,500	57	6,500
34	80,000	46	27,000	58	6,000
35	75,000	47	23,500	59	5,500
36	70,000	48	21,000	60	5,000
37	65,000	49	19,000	61	4,500
38	60,000	50	17,000	62	4,000
39	56,000	51	15,000	63	3,500
40	51,500	52	13,000	64	3,000
41	48,000	53	11,000	65	2,500

3. Income Protection Insurance Cover – Updated premiums and waiting periods

The cost of the annual premium rates from 1 July 2020 for each \$1,000 of income protection insurance cover you have is determined by your age, gender and occupation as shown in the following table:

Age next birthday	Non-firefighter duties		Firefighter duties		Age next birthday	Non-firefighter duties		Firefighter duties	
	F	M	F	M		F	M	F	M
up to 29	0.73	0.48	1.67	1.11	48	2.99	1.99	6.88	4.58
30	0.74	0.49	1.70	1.14	49	3.35	2.23	7.71	5.14
31	0.77	0.51	1.77	1.18	50	3.75	2.50	8.64	5.76
32	0.78	0.52	1.80	1.20	51	4.21	2.81	9.70	6.47
33	0.81	0.54	1.86	1.24	52	4.73	3.15	10.89	7.26
34	0.85	0.57	1.96	1.31	53	5.09	3.56	12.24	8.16
35	0.91	0.60	2.09	1.39	54	5.61	3.93	13.75	9.17
36	0.96	0.64	2.22	1.48	55	6.18	4.34	15.42	10.28
37	1.02	0.68	2.35	1.56	56	6.83	4.80	17.35	11.57
38	1.12	0.74	2.57	1.71	57	7.53	5.30	19.41	12.94
39	1.21	0.81	2.80	1.86	58	8.31	5.85	21.75	14.50
40	1.33	0.88	3.05	2.03	59	9.19	6.47	24.35	16.24
41	1.44	0.96	3.31	2.21	60	10.15	7.14	27.25	18.16
42	1.58	1.05	3.63	2.42	61	11.49	7.89	30.39	20.26
43	1.73	1.15	3.98	2.66	62	12.89	8.78	33.90	22.60
44	1.94	1.29	4.47	2.98	63	13.59	9.19	35.63	23.75
45	2.14	1.42	4.92	3.28	64	11.23	7.54	27.76	18.51
46	2.39	1.59	5.49	3.66	65	3.76	2.51	8.61	5.74
47	2.68	1.79	6.17	4.11					

Examples to help you calculate your annual premium:

1. A male Firefighter who is aged 43 next birthday and has a monthly pre-disability income equal to an annual salary of \$100,000:

$\$100,000 \times 75\% = \$75,000$ per annum income protection benefit divided by $\$1,000 = 75.0$

$75.0 \times \$2.66$ premium per $\$1,000$ (see table above) = $\$199.50$ annual premium.

2. A female permanent employee performing non-firefighter duties who is aged 37 next birthday and has a monthly pre-disability income equivalent to an annual salary of \$90,000:

$\$90,000 \times 75\% = \$67,500$ per annum income protection benefit divided by $\$1,000 = 67.5$

$67.5 \times \$1.02$ premium per $\$1,000$ (see table above) = $\$68.85$ annual premium.

Other important information about Income Protection Insurance Cover:

Benefit Period	<p>Paid for a maximum of two (2) years that includes any previous claim duration for the same member when the claim cause is directly or indirectly related to a previous claim's cause.</p> <p>The 2-year timeframe includes periods when worker's compensation is paid.</p> <p>May be reduced by any other disability income that accrues during the period.</p> <p>If the member is in receipt or entitled to other disability income that exceeds their income protection payment, then no income protection payment will be made.</p> <p>Does not automatically start after a worker's compensation claim ends.</p> <p>Will cease if a Total and Permanent Disablement Benefit or Terminal Illness Benefit is approved by the insurer and the Board.</p>
Waiting Period	<p>Non-firefighter duties 90 days</p> <p>Firefighter duties 180 days</p>
When does the Waiting Period start?	<p>The date when the insured member first receives medical advice from a doctor and the doctor certifies that the insured member suffers a disability or illness that prevents them from working.</p>
What is the monthly benefit?	<p>75% of the member's monthly income immediately prior to the date of disability.</p>
Income offsets	<p>The monthly amount payable is reduced by the amount of any payment from worker's compensation, any other insurance policy and sick leave entitlements.</p>

4. Other changes to insurance conditions and definitions

These changes apply to all members with insurance cover.

Terminal Illness	<p>Means a disease or condition that, in the opinion of two registered doctors approved by the insurer, is likely to result in the member's death within 24 months from the date the doctor provides certification in respect of the terminal illness and the certification period must not have ended. At least one of the registered doctors must be a specialist in the field to which the terminal illness relates.</p>
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Note: Previously the definition stated '...likely to result in the member's death within 12 months...'

Important information

Please read this Significant Event Notice and familiarise yourself with all of the changes and make sure you understand how they may affect your super.

The Product Disclosure Statement (PDS) and this Significant Event Notice are available at www.fessuper.com.au

The PDS will be updated with the changes outlined in this Significant Event Notice.

This information was current when this document was prepared. We make every effort to ensure the information shown is correct. FES Super reserves the right to make adjustments for any errors, misprints or omissions. A printed copy of the Significant Event Notice is available on request at no additional cost.

Contacting us is easy

(08) 9382 8444
PO Box 513 SUBIACO WA 6904
admin@fessuper.com.au

This Significant Event Notice is issued by the Fire and Emergency Services Superannuation Board (ABN 55 476 454 384) (AFS Licence 259671) as trustee of the Fire and Emergency Services Superannuation Fund (ABN 43 198 502 058). 1 January 2021.

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