



Significant event notice

20 May 2021



PSSap lifePLUS auto insurance is changing on 1 July 2021

Tell me quickly

What's the change? Death, Total and Permanent Disability (TPD) and Income Protection insurance premiums will increase from 1 July 2021. At the same time, we're introducing a 'life stage' insurance design to Income Protection cover, so that your cover better reflects your needs and to stabilise long-term insurance costs.

What's life stage? It's a model that provides most customers with more Income Protection cover when they need it, and less when they don't—and it's based on age groups. It takes into account that when you're younger, you're likely to need less cover—and less cover, means less costs coming out of your super account.

I don't have insurance, why tell me? As a CSC customer with a PSSap account, under the government's *Putting Members'*

Interests First (PMIF) Bill you're eligible for lifePLUS auto cover when you turn 25 if there's at least \$6 000 in your account, or if you're already 25 and your account balance reaches \$6 000. This could happen before or after the insurance changes we're talking about here.

I may be eligible before 1 July. You'll get pre-1 July 2021 cover to 30 June 2021. Then, from 1 July 2021, you'll automatically switch to the new cover design.

I may be eligible from 1 July. You'll get the new 'life stage' Income Protection insurance design.

Take control. Download our [Insurance and your PSSap super booklet](#) from csc.gov.au/pssap to get to know your cover.

Why are costs changing?

We regularly review our insurance offering with AIA Australia Limited, our insurance partner. The review includes how appropriate and competitive your cover is, what you've paid for cover and how much we've paid in claims. Our recent review revealed an increase in successful claims since 2018, so lifePLUS premiums need to align with the increasing cost of providing cover.

By changing Income Protection to a life-stage design, even though the cost of premiums is going up overall, your specific cover costs could go up or down—depending on your age group and the cover types you hold

Why is Income Protection cover changing?

Right now, if you're a CSC customer with PSSap lifePLUS auto Income Protection cover, your waiting period and benefit payment period are the same, no matter how old you are.

Yet in reality, your insurance needs are likely to change at different stages of your working life. So, to keep supplying the right level of cover at an appropriate cost, from 1 July 2021 lifePLUS cover will change to a new life stage design that caters to three age-groups: 14y9m–34 | 35–54 | 55+

The table below compares pre-1 July 2021 cover with the new life-stage Income Protection waiting periods and benefit payment periods.

	14y9m–34*	35–54*	55+*
Income Protection cover, if you're eligible before 30 June 2021	<ul style="list-style-type: none"> 5 year benefit payment period 60 day waiting period 	<ul style="list-style-type: none"> 5 year benefit payment period 60 day waiting period 	<ul style="list-style-type: none"> 5 year benefit payment period 60 day waiting period
Income Protection cover, if you're eligible from 1 July 2021	<ul style="list-style-type: none"> 2 year benefit payment period 90 day waiting period 	<ul style="list-style-type: none"> 5 year benefit payment period 90 day waiting period 	<ul style="list-style-type: none"> 2 year benefit payment period 90 day waiting period

*Excluding customers who are exempt under the *Putting Members' Interests First Bill*.



Public Sector Superannuation accumulation plan

Commonwealth Superannuation Corporation (CSC) ABN: 48 882 817 243
AFSL: 238069 RSEL: L0001397 Trustee of the Public Sector Superannuation accumulation plan (PSSap) ABN: 65 127 917 725 RSE: R1004601

How will the change affect me?

Income protection

From 1 July 2021, Income Protection insurance premiums will increase by up to 12.1%. But that's not the whole story. The amount you pay for each \$100 of cover you hold is worked out on:

your age last birthday	+	your sum insured (annual income)	+	your benefit payment period	+	your waiting period
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This means, if you accept the change to the new cover design your annual cost of cover will:

- reduce if you're in an age group with a 2 year benefit payment period and a 90 day waiting period
- increase if you're in an age group with a 5 year benefit payment period and a 90 day waiting period.

Death and TPD

From 1 July 2021, your Death and TPD insurance premiums will increase by between 11.2% and 12.9% depending on your age. The amount you pay for each \$1 000 of cover you hold is based on your age at your last birthday and how much you're insured for.

What are the figures?

In early July 2021, we'll confirm your new insurance cover and annual premium in writing. In the meantime, visit csc.gov.au/senins21 for an overview of how cover changes will affect you and the annual premiums you pay.

We've also included the new premium rates at the end of this notice.

Possible scenarios and what to do

Scenario	Actions/Outcomes in June 2021	What happens from 1 July 2021?
<p>Permanent employee: You become eligible¹ for auto cover before 25 June 2021</p> <p>Casual employee²: If you are within your 60 day opt-in period and want the cover offered, you must opt in before 25 June 2021</p>	<p>Before 25 June 2021 You'll get lifePLUS auto cover under the pre-1 July 2021 policy, including premiums. In your insurance activation notice, we'll let you how to cancel or change your cover.</p> <p>If you don't want to move to the new life stage Income Protection insurance design, let us know in writing in one of these ways:</p> <ul style="list-style-type: none"> • Letter recipients: Complete and return the tear-off slip in the letter we've sent you. • Email recipients: Click the Keep my pre-1 July 2021 level of cover button in the email and follow the prompts. 	<p>If you haven't applied to change your auto insurance cover, and you haven't told us that you don't want to change to the new Income Protection cover, you'll automatically move onto our life stage insurance design from 1 July 2021.</p> <p>Your age last birthday will determine your Income Protection waiting period and benefit payment period and we'll calculate your premiums using the new rates at the end of this notice.</p> <p>Your Death and TPD premiums will also change automatically on 1 July 2021 and we'll calculate your monthly premium using the new rates tables.</p> <p>In July 2021, we'll confirm your new cover and the premiums that will be deducted from your PSSap account.</p>
<p>You become eligible¹ for auto cover from 25–30 June 2021</p>	<p>You'll get lifePLUS auto cover under the pre-1 July 2021 policy, including premiums. In your insurance activation notice, we'll let you how to cancel or change your cover.</p>	<p>If you haven't applied to change your auto insurance cover for Income Protection, you'll automatically move onto our life stage insurance design.</p> <p>Your age last birthday will determine your Income Protection waiting period and benefit payment period and we'll calculate your premiums using the new rates at the end of this notice.</p> <p>Your Death and TPD premiums will also change automatically on 1 July 2021 and we'll calculate your monthly premium using the new rates tables.</p> <p>In July 2021, we'll confirm your new cover and the premiums that will be deducted from your account.</p>

¹ Eligible for cover under the *PMIF Bill* means you're at least 25 and you have more than \$6 000 in your PSSap account.

² Casual employees must opt in to cover within 60 days of the date of their welcome to PSSap experience.

Possible scenarios and what to do (continued)

Scenarios	Actions/Outcomes in June 2021	What happens from 1 July 2021
You become eligible ³ for auto cover from 1 July 2021	N/A	<p>You'll get lifePLUS auto cover under the new 1 July 2021 policy, including premiums.</p> <p>Your age last birthday will determine your Income Protection waiting period and benefit payment period and we'll calculate your cover using the new premiums at the end of this notice.</p> <p>In your insurance activation notice, we'll let you how to cancel or change your cover.</p>

More information

If I have cover, who pays for it?

The cost of your cover comes out of your super account each month—it doesn't come out of your take-home pay. When you have cover, you can log in to your account to see what you have and how much it costs.

If your next birthday changes your insurance age group

If your next birthday falls on or after 1 July 2021 and you reach a life-stage milestone (i.e. you turn 35 or 55), your cover will automatically align to the benefit that applies to your new age group. We'll send you a confirmation to let you know your cover has changed.

Get in touch

Insurance is a complex subject and there are lots of nuances, especially when it comes to new cover and changes to the insurance cover design. If you'd like us to, we can step you through it.

As a CSC customer with a PSSap account, you can get simple advice on common questions from our authorised financial planners⁴ for no extra cost. Call **1300 277 777** to book an appointment.

Or if there is anything we can help you with, just email members@pssap.com.au or call **1300 725 171**. We'd be pleased to help out.

Definitions

Benefit payment period—the maximum length of time you'll receive monthly Income Protection payments and contributions to your super account from the insurer for any one period of total or partial disability.

Waiting period—the amount of time you have to wait before insurance benefit payments start.

Premiums—amounts you'll pay for each:

- \$100 of Income Protection cover you hold, which is based on your age, your sum insured, your benefit payment period and your waiting period
- \$1 000 of Death and TPD cover you hold for, which is based on your age and your sum insured.

Income—if you're a permanent employee, this is the salary your employer reports to us that we use to calculate monthly premium costs and benefit payments if you claim. If you are a casual employee, you must keep your salary up to date by completing an insurance [Application and variation form](#) at csc.gov.au/forms and returning it to us.

For full definitions, see [Insurance and your PSSap super booklet](#) available from csc.gov.au/pssap.

³ Eligible for cover under the *PMIF Bill* means you're at least 25 and you have more than \$6 000 in your PSSap account.

⁴ Our authorised financial planners are authorised to provide advice by Guideway Financial Services (ABN 46 156 498 538, AFSL 420367). Guideway is a licensed financial services business providing CSC financial planners with support to provide members with specialist advice, education and strategies.

Income Protection premiums, effective 1 July 2021

Income Protection premiums shown below are the annual rates charged for each \$100 of insurance cover you have.

By age, waiting period and benefit payment period

Age last birthday	lifePLUS auto (your default cover)		lifePLUS choice (if you change your cover)							
	Benefit period 2 years	Benefit period 5 years	Benefit period 2 years				Benefit period 5 years			
			Waiting period				Waiting period			
	90 days	90 days	30 days	60 days	90 days	180 days	30 days	60 days	90 days	180 days
14	2.10		4.67	2.43	2.10	1.87	6.88	3.40	3.06	2.71
15	2.10		4.67	2.43	2.10	1.87	6.88	3.40	3.06	2.71
16	2.10		4.67	2.43	2.10	1.87	6.88	3.40	3.06	2.71
17	2.10		4.67	2.43	2.10	1.87	6.88	3.40	3.06	2.71
18	2.10		4.67	2.43	2.10	1.87	6.88	3.40	3.06	2.71
19	2.10		4.67	2.43	2.10	1.87	6.88	3.40	3.06	2.71
20	2.10		4.67	2.43	2.10	1.87	6.88	3.40	3.06	2.71
21	2.10		4.67	2.43	2.10	1.87	6.88	3.40	3.06	2.71
22	2.10		4.67	2.43	2.10	1.87	6.88	3.40	3.06	2.71
23	2.10		4.67	2.43	2.10	1.87	6.88	3.40	3.06	2.71
24	2.10		4.67	2.43	2.10	1.87	6.88	3.40	3.06	2.71
25	2.05		4.55	2.36	2.05	1.83	6.72	3.31	2.98	2.66
26	2.02		4.57	2.31	2.02	1.79	6.72	3.24	2.92	2.61
27	2.02		4.59	2.31	2.02	1.79	6.76	3.24	2.92	2.61
28	2.02		4.63	2.31	2.02	1.79	6.80	3.24	2.92	2.61
29	2.07		4.77	2.39	2.07	1.85	7.04	3.35	3.01	2.67
30	2.10		4.91	2.43	2.10	1.87	7.22	3.40	3.06	2.71
31	2.21		5.13	2.54	2.21	1.94	7.54	3.55	3.20	2.84
32	2.29		5.37	2.62	2.29	2.04	7.88	3.69	3.32	2.95
33	2.41		5.63	2.77	2.41	2.14	8.29	3.89	3.51	3.12
34	2.54		5.94	2.92	2.54	2.25	8.73	4.08	3.69	3.27
35		3.93	6.34	3.13	2.70	2.41	9.33	4.36	3.93	3.51
36		4.24	6.76	3.35	2.90	2.60	9.95	4.70	4.24	3.77
37		4.57	7.28	3.62	3.15	2.81	10.71	5.08	4.57	4.07
38		4.94	7.84	3.92	3.41	3.04	11.53	5.50	4.94	4.40
39		5.39	8.47	4.28	3.71	3.31	12.48	5.98	5.39	4.81
40		5.94	9.22	4.71	4.09	3.65	13.57	6.59	5.94	5.30
41		6.57	10.05	5.20	4.52	4.02	14.80	7.28	6.57	5.85
42		7.23	10.96	5.75	5.00	4.45	16.12	8.05	7.23	6.44
43		8.05	12.02	6.38	5.54	4.92	17.67	8.92	8.05	7.15
44		8.92	13.17	7.08	6.15	5.47	19.36	9.92	8.92	7.96
45		9.96	14.43	7.89	6.85	6.13	21.23	11.06	9.96	8.89
46		11.21	15.90	8.87	7.72	6.85	23.40	12.43	11.21	9.96
47		12.54	17.50	9.93	8.64	7.68	25.76	13.92	12.54	11.14
48		14.10	19.31	11.15	9.72	8.64	28.38	15.64	14.10	12.54
49		15.82	21.25	12.54	10.90	9.72	31.25	17.57	15.82	14.10
50		17.81	23.43	14.10	12.26	10.91	34.47	19.74	17.81	15.86
51		20.01	25.92	15.86	13.78	12.27	38.12	22.22	20.01	17.82

Income Protection premiums, effective 1 July 2021 (continued)

Income Protection premiums shown below are the annual rates charged for each \$100 of insurance cover you have.

By age, waiting period and benefit payment period

Age last birthday	lifePLUS auto (your default cover)		lifePLUS choice (if you change your cover)							
	Benefit period 2 years	Benefit period 5 years	Benefit period 2 years				Benefit period 5 years			
			Waiting period				Waiting period			
	90 days	90 days	30 days	60 days	90 days	180 days	30 days	60 days	90 days	180 days
52		22.55	28.60	17.86	15.53	13.81	42.08	25.02	22.55	20.06
53		25.38	31.56	20.10	17.48	15.58	46.42	28.17	25.38	22.61
54		28.40	34.74	22.49	19.55	17.42	51.11	31.52	28.40	25.29
55	22.00		38.42	25.29	22.00	19.55	56.55	35.44	31.94	28.40
56	24.70		42.46	28.41	24.70	21.97	62.47	39.81	35.88	31.91
57	27.69		46.99	31.85	27.69	24.65	69.15	44.63	40.21	35.79
58	31.07		52.03	35.73	31.07	27.66	76.56	50.08	45.11	40.16
59	34.82		57.68	40.05	34.82	30.99	84.86	56.11	50.56	44.99
60	38.96		63.95	44.80	38.96	34.66	94.10	62.79	56.57	50.34
61	43.50		70.95	50.03	43.50	38.73	104.39	70.11	63.17	56.22
62	48.21		95.92	55.43	48.21	42.92	141.13	77.69	69.99	62.31
63	53.85		104.36	61.92	53.85	47.95	159.08	86.08	77.55	69.04
64	60.15		113.52	69.18	60.15	53.56	176.28	95.37	85.92	76.51
65	48.63		99.76	55.92	48.63	43.29	101.42	56.83	49.43	43.99
66	15.80		43.95	18.18	15.80	14.06	44.68	18.47	16.05	14.30



Death and TPD premiums, effective 1 July 2021

Death and TPD premiums shown below are the annual rates charged for each \$1 000 of cover you have.

By age and insurance type

Age last birthday	Amount insured by age		Rates per \$1 000 of cover		Age last birthday	Amount insured by age		Rates per \$1 000 of cover	
	Death	TPD	Death	TPD		Death	TPD	Death	TPD
14	\$150,000	\$75,000	0.80	0.08	42	\$325,000	\$162,500	1.14	1.37
15	\$150,000	\$75,000	0.80	0.08	43	\$325,000	\$162,500	1.24	1.58
16	\$150,000	\$75,000	0.83	0.04	44	\$325,000	\$162,500	1.38	1.76
17	\$150,000	\$75,000	0.83	0.04	45	\$325,000	\$162,500	1.49	2.02
18	\$150,000	\$75,000	0.85	0.01	46	\$300,000	\$150,000	1.63	2.32
19	\$150,000	\$75,000	0.83	0.04	47	\$300,000	\$150,000	1.77	2.69
20	\$150,000	\$75,000	0.83	0.04	48	\$250,000	\$125,000	1.91	3.06
21	\$150,000	\$75,000	0.82	0.06	49	\$250,000	\$125,000	2.06	3.45
22	\$150,000	\$75,000	0.82	0.06	50	\$200,000	\$100,000	2.23	3.92
23	\$150,000	\$75,000	0.77	0.13	51	\$200,000	\$100,000	2.40	4.45
24	\$200,000	\$100,000	0.75	0.15	52	\$200,000	\$100,000	2.60	5.04
25	\$200,000	\$100,000	0.74	0.17	53	\$150,000	\$75,000	2.77	5.65
26	\$250,000	\$125,000	0.70	0.22	54	\$150,000	\$75,000	2.97	6.34
27	\$275,000	\$137,500	0.68	0.24	55	\$100,000	\$50,000	3.19	7.08
28	\$300,000	\$150,000	0.68	0.24	56	\$100,000	\$50,000	3.43	7.91
29	\$325,000	\$162,500	0.68	0.33	57	\$90,000	\$45,000	3.65	8.88
30	\$325,000	\$162,500	0.67	0.36	58	\$75,000	\$37,500	4.00	9.55
31	\$325,000	\$162,500	0.67	0.39	59	\$70,000	\$35,000	4.36	10.28
32	\$325,000	\$162,500	0.67	0.46	60	\$50,000	\$25,000	4.75	11.09
33	\$325,000	\$162,500	0.68	0.54	61	\$40,000	\$20,000	5.21	11.91
34	\$325,000	\$162,500	0.72	0.58	62	\$25,000	\$12,500	5.65	12.87
35	\$325,000	\$162,500	0.74	0.63	63	\$20,000	\$10,000	6.14	14.15
36	\$325,000	\$162,500	0.77	0.72	64	\$20,000	\$10,000	7.67	14.34
37	\$325,000	\$162,500	0.82	0.80	65	\$20,000	\$10,000	12.07	10.01
38	\$325,000	\$162,500	0.87	0.91	66	\$20,000	\$10,000	12.19	12.42
39	\$325,000	\$162,500	0.93	1.00	67	\$20,000	\$10,000	12.64	14.61
40	\$325,000	\$162,500	1.00	1.09	68	\$20,000	\$10,000	12.87	17.36
41	\$325,000	\$162,500	1.09	1.21	69	\$20,000	\$10,000	13.25	20.20



Email
members@pssap.com.au



Phone
1300 725 171



Financial Advice
1300 277 777



Post PSSap
Locked Bag 9300
Wollongong NSW 2500



Web
csc.gov.au



Overseas Callers
+61 2 4209 5403



Fax
1300 364 144

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