Australian Government
Commonwealth Superannuation Corporation

Death and Invalidity benefits

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The information in this 'Death and Invalidity benefits' document forms part of the Public Sector Superannuation Scheme (PSS) Product Disclosure Statement (PDS), thirteenth edition, issued on 31 October 2024 available at csc.gov.au/pss-pds

Things to remember when reading this document

Any financial product advice in this document is general advice only and has been prepared without taking account of your personal objectives, financial situation or needs. Before acting on any such general advice, you should consider the appropriateness of the advice, having regard to your own objectives, financial situation and needs. You may wish to consult a licensed financial adviser. You should obtain a copy of the PSS PDS and consider its contents before making any decision regarding your super.

Commonwealth Superannuation Corporation (CSC) ABN: 48 882 817 243 AFSL: 238069 RSEL: L0001397 Trustee and Issuer of the Public Sector Superannuation Scheme (PSS) ABN: 74 172 177 893 RSE: R1004595

Information in this document is up to date at the time of preparation, but we may make changes from time to time. Any changes that are not materially adverse will be updated on our website at csc.gov.au/pss-pds or you can obtain a paper copy free of charge by calling **1300 000 377**.

CSC — PSS Public Sector Superannuation Scheme

Death and Invalidity benefits

Death, Invalidity retirement and Partial Invalidity benefits are available through PSS which may help protect your current lifestyle and provide for you or your family in the event of sickness, injury or death.

Invalidity benefits

Invalidity retirement benefits

Invalidity retirement benefits are available in the event that your invalidity retirement is approved by the Commonwealth Superannuation Corporation (CSC) and you are retired on invalidity grounds by your employer.

As a general rule, to be approved for invalidity retirement you must be totally and permanently incapacitated which means that, because of a physical or mental condition, you are unlikely to work again in any occupation for which you are reasonably qualified by education, training or experience (or could become so after retraining). An Invalidity Benefit is not payable if the condition which leads to your invalidity retirement has been caused by wilful action on your part with a view to gaining an Invalidity Benefit.

Invalidity benefits payable to contributing members before reaching age 60

The Invalidity Benefit, provided you are not a limited benefits member or claiming a lump sum as a result of terminal medical condition, is the projected benefit accrual you would have received if you had worked to age 60.

This final benefit accrual is based on your Final *Average Salary* (FAS) multiplied by the sum of your accrued benefit multiple (ABM) at retirement plus the multiple you would have accrued had you continued contributing until age 60 at the greater of:

- 5%; or
- the average percentage rate you contributed over the 78 paydays (total paydays, if less) before you retired.

The prospective service may also be subject to the Maximum Benefit Limit (MBL), your part time employment history, any long term sick or compensation leave and the ‘10-Year Rule’. For more information on these topics refer to our website at csc.gov.au/pss

Generally, if you had been contributing at an average of more than 5% of your super salary, it is assumed that you would have continued to contribute at that higher average rate through to the age of 60. However, if you had been contributing at less than 5%, your benefit is worked out on the basis that your contributions would have been immediately increased to 5%, and that you would have continued to contribute at that rate until the age of 60. Note, if you had been contributing at more than 5% for less than three years before you claim your benefit, or commence sick or compensation leave for the final time, the rate applied to calculate your benefit may be adjusted to account for your contribution history.

The total amount of the final benefit accrual obtained from this calculation not paid as a lump sum is converted to an indexed pension.

The pension conversion factor used is 11.00, which is the one that would have applied to you if you retired at the age of 60. In other words, the amount not payable as a lump sum is divided by 11.00 to obtain the amount of your starting indexed pension.

Example 1: Calculation of average multiple for prospective service to age 60

For the first six years of his membership, Tony contributes at 2%. He increases his rate to 6% for the next two years and again to 9% for the last year before being retired on medical grounds at age 48. He did not take any long-term sick leave before his retirement and is a full benefits member.
Tony's FAS is $75,000.

Tony's Invalidity Benefit is calculated as follows:

Contributions	Growth of benefit multiple	Accrued benefit multiple
Actual		
2% for 6 years	0.15 x 6 years	0.9
6% for 2 years	0.23 x 2 years	0.46
9% for 1 year	0.29 x 1 year	0.29
Accrued benefit multiple		1.65
plus Prospective multiple		
Actual: greater of 5% and average paid over last 78 paydays		
Average paid	6% x 52	312
	9% x 26	234
		546 ÷ 78 = 7%
Prospective contributions to age 60		
7% for 12 years	0.25 x 12 years	3.0
(age 48 to 60)		
Equals total benefit accrual		4.65
Tony's notional final benefit accrual is worked out as follows: $75,000 (FAS) x 4.65 = $348,750		

Contributing members, prior to age 60 and not subject to a limited benefits restriction, can also choose to receive an invalidity pension plus a lump sum component. If you choose this option you can receive a lump sum of up to your member component, with your remaining benefit paid as an indexed pension.

Invalidity pensions cannot be voluntarily reduced to provide for higher pensions payable to eligible dependants following death.

Maximum Benefit Limits (MBL)

Your PSS MBL is the maximum amount of defined benefit (FAS x ABM) that you can accrue as a contributing member. Depending on your FAS, your MBL will be either a dollar amount or a multiple. If you retire on invalidity grounds, your MBL is the greater of your benefit accrual excluding your projected Invalidity Benefit and 10 times your FAS.

Contributing members over age 60

Contributing members over age 60 qualify for an age retirement benefit and may also be eligible for an Invalidity Benefit. Retiring on an Invalidity Benefit entitles a member to a different taxation calculation on any lump sum entitlement that includes a post-1994 invalidity component which age retirement does not attract.

Preserved and associate members

Invalidity benefits for preserved and associate members are based on the value of the preserved entitlement at the date CSC determines you're eligible to receive your benefit. Associate members should refer to the **Family law and splitting super booklet** for more information available on our website at csc.gov.au/family-law

Limited benefits members

You will be classified as a limited benefits member (LBM) if you do not complete your **Confidential Medical and Personal Statement (CMAPS)** within 14 days of joining PSS or it is determined that you have a medical condition that will likely prevent you from working for at least three years without taking excessive sick leave. If it is found that you provided false or incorrect information on the CMAPS, you may also be reclassified as a LBM. This means that benefits payable on invalidity or death in the first three years of membership don't include any projected service.

If you have been classified (or reclassified) as a LBM and you are medically retired for any reason within three years of becoming a member, your Invalidity Benefit will be limited to a lump sum of your accrued benefit as at your date of retirement (that is, no prospective service is taken into account).

Any illness or accident that causes invalidity, loss of income or death does not have to be related to the condition(s) that led to your being classified as a LBM for a benefit limitation to apply. Limited benefits status has no effect on your contribution rate, or on benefits other than Invalidity and Death benefits. A limited benefits classification ceases to have any effect on benefits after three years' membership.

Immediate access to lump sum benefits for members with a terminal medical condition

If your invalidity retirement is due to a terminal illness, or if you suffer from a condition which is sufficiently severe that you will need personal or nursing care on a daily basis within two years, you can choose to receive an immediate lump sum based on your accrued benefit multiple. That is, the lump sum does not take account of your prospective Benefit Multiple to the age of 60.

To qualify for this option, you must provide a certificate from at least two medical practitioners (one of whom is not treating you), who have experience in the condition affecting you. The certificate must confirm that your condition is terminal, or that the severity of your illness is such that you will need personal or nursing care on a daily basis within two years.

Note: If you choose this option, the entire benefit is paid to you as a lump sum. No additional benefit will be payable to a spouse or eligible beneficiary upon your death.

If you have ADIC there are additional steps in the claims process, you can find this information on page 19 Steps: TPD and Terminal Illness benefit claims

Faster processing for terminally ill members

We take steps to ensure that applications for invalidity retirement are processed faster (usually within one week of receiving all required information) if you are terminal. Please contact us to help us process your request faster.

Where the illness or condition appears likely to be terminal, arrangements should be made with your personnel section for you to be medically examined by an approved medical practitioner from one of our approved medico-legal service providers. To claim your entitlement on invalidity grounds because you are terminal you will need to follow the same procedures as outlined under the invalidity retirement application process which is set out below.

When your personnel section sends the results of your medical examination to us, together with supporting reports from your treating specialists and general practitioner, they should request that your case be expedited.

Invalidity retirement application process

If you believe that a medical condition shows that you should be retired on medical grounds, you should make arrangements with your personnel section to be examined by an approved medical practitioner from one of our approved medico-legal service providers. Your personnel section will make an appointment for you and they will also give you a completed **Medical examination report for invalidity retirement (SM2)** form to take to the approved medical practitioner.

Note: Your employer may also initiate this process.

The results of your examination will be sent directly to your personnel section.

If, as a result of the examination, the approved medical practitioner thinks that you are, or may become, totally and permanently incapacitated, your personnel section will need to complete the **Application for issue of invalidity retirement certificate (SPC)** form.

Your personnel section will then need to send all the completed documents, including other supporting medical evidence to CSC at the details provided on the last page. Any other supporting evidence you have, such as a report from a specialist or a general practitioner, should also be forwarded to CSC.

The report of your medical examination, together with any other supporting medical evidence, is assessed by an invalidity assessment panel for consideration. This panel has expertise in assessing invalidity claims.

After considering the assessment, the panel's recommendation and any other relevant matters including whether it is practical for your employer to provide you with a suitable job or for you to obtain such a job with a different employer, CSC will then decide whether to agree to your invalidity retirement.

In some circumstances, including if your medical condition is such that CSC considers that there is no reasonable doubt that you are totally and permanently incapacitated, CSC can agree to invalidity retirement without the need for an assessment from the panel.

If you are, or are likely to become, totally and permanently incapacitated, you may be paid pre-assessment payments to help support you until a final decision is made.

Please note that formal retirement by your employer cannot occur until CSC issues a certificate to your employer stating that, if retired, you will be entitled to receive invalidity retirement benefits from PSS.

Pre-assessment payments

You may be entitled to receive pre-assessment payments to provide you with income, after your sick leave runs out, while you wait for your invalidity retirement decision. To qualify for pre-assessment payments, you cannot be a limited benefits member or be receiving worker's compensation payments and you must have been off work for a continuous period of 28 days or more. To be assessed for pre-assessment payments a medical report from an approved service provider or medical practitioner, which indicates that there is a likelihood that you are, or will become, totally and permanently incapacitated must be provided.

Pre-assessment payments can be paid where an Invalidity Benefit is not approved. If you are not retired on invalidity grounds, you are not required to repay any pre-assessment payments you may have received.

Pre-assessment payments do not affect the calculation of your Invalidity Retirement Benefit. However, if your invalidity retirement is approved and commences from a date before your pre-assessment payments cease, the invalidity benefits due will be offset by any pre-assessment payments made in the overlapping period.

Superannuation contributions to PSS, at the normal rate, and any premiums required for Additional Death and Invalidity Cover are deducted from your pre-assessment payments.

Rate of pre-assessment payments

Pre-assessment payments can be payable during the first six months after sick leave credits are exhausted, at a rate of half your super salary that was applicable on your first day off work, less any:

- partial invalidity pension payable; and
- compensation payments payable in respect of an unrelated condition.

Pre-assessment payments are payable **after** the first six months of commencing sick leave, at the greater of:

- half your super salary, that was applicable on your first day off work less any partial invalidity pension payable and compensation payments payable in respect of an unrelated condition; and
- the maximum rate of invalidity pension that would have been payable, had you been retired 6 months after your first day off work, less any sick leave pay, partial invalidity pension payable and compensation payments payable in respect of an unrelated condition.

Rehabilitation

Where an appropriate program of rehabilitation may prevent you from becoming totally and permanently incapacitated, you may be required to attend that program. If you were receiving pre-assessment payments, those payments would continue during an approved rehabilitation program.

Consumer Price Index (CPI) adjustments

Invalidity pensions, excluding partial invalidity pensions and pre-assessment payments are subject to twice yearly cost-of-living adjustments based on upwards movements in the Consumer Price Index (CPI). You will receive a notice of the adjustment in January and July each year.

Reduced Invalidity pension due to personal earnings

Invalidity pensions can be reduced or suspended when an invalidity pensioner under age 60 is working and receives personal earnings above certain levels. You will be required to provide information about any personal earnings you receive and whenever the level of those earnings changes.

Personal earnings means salary, wages, fees or other amounts received for services rendered or work performed. Personal earnings include remuneration paid as the director of a company or commission received for canvassing or collecting or other similar activities. If you believe you may be affected, call **1300 000 377** for further information. **If you again become a fund member, your invalidity pension is cancelled and your contributions to PSS recommence.**

Review of Invalidity Benefit and returning to eligible employment

From time to time until your 60th birthday, we may undertake a review of your invalidity pension, based on your personal earnings or your fitness to return to work. It is important for you to know that if you fail to provide information, or if you do not submit yourself for an assessment, and you do not have a reasonable explanation, your invalidity pension may be suspended until the requirement has been satisfied. It may then be cancelled after 12 months' suspension or if it is considered that your health has been sufficiently restored to allow you to return to work.

In addition, if you are receiving personal earnings, you must advise us of the details in writing.

The Invalidity Benefit may be reduced or suspended, however will be restored to full rate once employment ceases or you turn age 60 (unless your pension is cancelled). **You must also notify us if you are re-employed by an eligible employer as if this occurs your Invalidity Benefit will cease if you again become a PSS member.** If you rejoin on a lower salary, you may be entitled to a PIP (see 'Re-appointed Invalidity pensioner').

Partial invalidity

A partial invalidity pension (PIP) is a form of income maintenance. It is paid where it is determined that you have incurred a permanent decrease in salary due to sickness or injury. It is also payable if you retired on invalidity grounds and then returned to work for a PSS designated employer on a lower salary than the one you received when you were retired on invalidity grounds.

Amount of benefit payable

The rate of PIP payable is a proportion of your salary decrease. The way your decrease is calculated, and the proportion of the decrease payable as a PIP, depends on why your salary was decreased.

Re-appointed Invalidity pensioner

If you were an invalidity pensioner and returned to work on a lower salary than your updated salary at the date you initially retired, the decrease is the difference between your old updated salary and your new salary. The proportion of the decrease payable as a partial invalidity pension is the rate calculated by dividing your invalidity pension at retirement by your *Average Salary* at retirement.

Example 2: Invalidity pensioner returning to lower paid employment

Peta was receiving an invalidity pension of $46,800 and returned to eligible employment on a salary $10,000 less than her salary at exit. At retirement, Peta's FAS was $72,000, which means she would be eligible for a partial invalidity pension equal to 0.65 ($46,800/$72,000) of the decrease.

Peta would be eligible for a partial invalidity pension of $6,500 ($10,000 x 0.65).

Reduction due to medical condition

If you suffered a permanent salary decrease due to a medical condition, either because you were downgraded or work reduced hours, the decrease is the difference between your salary before the decrease and your lower salary. The proportion of the decrease payable as a partial invalidity pension is the rate calculated by dividing the invalidity pension you would have received had you been entitled to a full invalidity pension at the date of the reduction by your *Average Salary* at the date of the decrease.

Example 3: Partial invalidity pension for reduction in salary due to redeployment on medical grounds

Wendy receives a salary of $80,000 before a permanent medical condition forces her to take up a new position with a salary of $53,800. If Wendy had become entitled to invalidity retirement benefits, she would have received a full invalidity pension of $51,110 based on her *Average Salary* of $76,000.

The proportion of her salary decrease is:
$53,800 ÷ $80,000 = 0.6725

Her salary decrease is:
$80,000 – $53,800 = $26,200

Her partial invalidity pension is therefore:

$26,200 x 0.6725 = $17,620

Adjustments

Partial invalidity pension rates are adjusted with any increases to your salary, usually on each birthday, or if you suffer a further permanent decrease because of a medical condition, CSC must be satisfied the reduction is attributable to a physical or mental incapacity before the pension can be adjusted.

Payment of partial invalidity pensions

A partial invalidity pension is payable on your normal payday with effect from either the first day following your decrease in salary or the first day of your re-employment at the decreased salary, if you were a former invalidity pensioner.

Circumstances where a partial invalidity benefit is not payable

You will generally not be paid a partial invalidity pension if:

- you have reached your maximum retiring age;
- you are a limited benefits member;
- you are a casual employee;
- your decrease in salary is not permanent;
- your decrease in salary is caused by a condition for which worker's compensation payments are or will be made; or
- your decrease in salary happens during the first three years of membership and, when joining PSS, you failed to disclose a condition that would have resulted in your being declared as a limited benefits member.

Superannuation contributions and benefits

If you are receiving a partial invalidity pension (PIP), your superannuation contributions are based on your decreased fortnightly salary. However, members who work reduced hours but do not convert to permanent part-time employment will still be required to contribute according to their full-time salary.

The amount of your PIP is not treated as salary for superannuation contribution purposes. However, your future age retirement or invalidity retirement benefits will be based on the updated salary you would have been receiving had the salary decrease not happened.

Cessation of partial invalidity pensions

Leave without pay

If you are receiving a partial invalidity pension and go on leave without pay (other than sick leave without pay), your pension may be suspended until you return to work.

Non-compliance

If you do not comply with requirements that you attend a program of rehabilitation, or provide medical or other evidence as to your health and/or ability to resume your former duties, payment of your partial invalidity pension will stop.

Payments may resume if CSC is satisfied you have met or will meet all relevant requirements.

Cease contributory membership

Your PIP is cancelled when you cease to be a contributing member.

Salary decrease negated

The pension will be cancelled if your salary equals or exceeds the updated salary of the position that you held before you became a partial invalidity pensioner or before your salary was decreased because of a permanent medical condition.

Compensation

If you become entitled to compensation for the same condition, the PIP ceases from the date you become entitled to compensation.

Death benefits

Benefits are payable to your eligible spouse and/or children in the first instance should you die while you are a contributing member, a preserved member or after retirement if you were receiving a PSS pension. If neither of these exist, benefits may be payable to any children otherwise considered ineligible or to your estate.

Spouse benefits

On your death, your spouse will receive a PSS benefit provided that it is determined that they had a marital or couple relationship with you at the time of your death.

A marital or couple relationship exists where two people:

- have ordinarily lived together as husband and wife or partners; or
- are in a permanent and bona fide domestic relationship for a continuous period of at least three years at the date of death.

If the relationship had existed for less than three continuous years at the time of your death, eligibility can still be determined where CSC is satisfied that the person ordinarily lived with you as husband and wife or partner.

In making an assessment of eligibility, the following factors may be considered:

- financial dependence;
- whether you were legally married;
- whether you were in a registered relationship;
- whether you and your partner in the relationship had a child who was:
    - born of your relationship;
    - adopted by you during the relationship; or
    - where the child is a child of both of you within the meaning of the *Family Law Act 1975*
- joint ownership of property; and/or
- any other relevant evidence.

Where a person previously had a marital or couple relationship but the relationship finished before the date of death, a spouse benefit may still be payable if:

- at the time of the deceased person's death, the spouse was legally married to the deceased person; or
- they were wholly or substantially dependent upon the deceased person at the time of the deceased person's death.

A person can still be considered to be living with another person on a permanent and bona fide domestic basis where it is determined that the person would have been living with the other person except for a temporary absence or an absence resulting from illness or infirmity.

Spouse or children of a contributing member

If you die while you are a contributing member and were not a limited benefits member, your dependant spouse may choose to take their benefit as a pension, a lump sum or a combination of both (provided that at least 50% of the final benefit accrual is converted to a pension). The pension payable to your dependants will be a percentage of the invalidity pension that would have been payable had you retired on invalidity grounds. Table 1 shows the various percentages.

If you are a limited benefits member at the time of your death, no pension benefit is payable. The benefit payable is a lump sum of the benefit accrued as at the date of your death.

Example 4: Calculation of spouse benefit following death in service

Marianne's husband Ian died whilst a contributing member at age 45. Ian and Marianne did not have any eligible children. Ian's Final *Average Salary* (FAS) was $92,000 and his Accrued Benefit Multiple (ABM) to the date of death was 3.5 and his prospective multiple was 3.15. Ian was a full benefits member.

Marianne's full pension entitlement is $37,264, calculated as follows:

Ian's final benefit accrual

FAS x (Accrued Benefit Multiple plus prospective multiple to age 60)
$92,000 x (3.5 + 3.15)
$92,000 x 6.65 = $611,800

Ian's pension rate

Final benefit accrual ÷ pension conversion factor
$611,800 ÷ 11 = $55,618 pa

Marianne's pension

Ian's rate x pension factor
$55,618 x 67% = $37,264 pa

Spouse of a preserved member

The benefit payable in respect of a deceased preserved member is a lump sum of the former member's preserved benefit as accrued to the date of death.

A spouse may be able to convert some or all of the lump sum to pension. There are limits on the amount of benefit that can be taken as a lump sum if this option is taken. Pensions are calculated by dividing the amount to be converted by the pension conversion factor of 11, and then allocating a percentage of that entitlement in line with Table 1. If the preserved member dies after age 60, the factor decreases in accordance with the pension conversion factors.

Spouse of a pensioner

If you die while receiving a PSS pension, your eligible spouse will be entitled to receive a percentage of the pension being paid to you at the time of your death.

Table 1 shows the various pension percentages. The percentage payable will depend on whether you chose the higher dependant pension option at the time of your retirement (see Table 3).

Table 1: Calculation of dependant's pension

Number of dependants	Amount as percentage of former member's pension entitlement
One (spouse only)	67%
Two (spouse and one child)	78%
Three (spouse and two children)	89%
Four or more (spouse and three or more children)	100%

If your marital or couple relationship started after you began receiving your pension and after you reached age 60, and the relationship existed for less than three continuous years at the date of death, your spouse will receive a proportion of the spouse's pension that would normally have been payable. For example, if the relationship existed for one year, then your spouse would receive one-third of the full spouse's pension.

Pensioner receiving invalidity pension

Invalidity pensioners do not have the option of electing a reduced pension rate in exchange for higher dependant pension benefits. If the deceased pensioner was receiving an invalidity pension, the spouse's rate is based on the standard rates.

Apportionment of spouse's benefit

Where you are survived by more than one spouse or there are eligible children who don't live with the spouse, the benefit payable to each dependant may be apportioned having regard to their respective needs. The total benefit payable to any dependant can't be greater than the amount payable had that person been the only eligible dependant.

Continuation of spouse's entitlement

Where a spouse who is receiving a pension remarries or starts a new relationship, the pension continues to be paid but will not revert to their new spouse when they pass away.

Associate pensioner

An associate pension, that is, a pension that is payable to the associate of a member or pensioner as the result of a family law split, does not pass to the associate's spouse or children on the associate's death.

Children's benefits

Under scheme rules, PSS death benefits are payable to an eligible child. An eligible child is a child of the deceased member or pensioner, including a natural child, an adopted child, an ex-nuptial child, a step-child, a child within the meaning of the *Family Law Act 1975*, or any other person whom CSC determines is to be treated as a child of the member who:

- has not reached age 18 or is age 18 or more but less than age 25 and is receiving full-time education at a school, college or university;
- is not ordinarily employed or self-employed; and

- immediately before the death of the member:
  - ordinarily lived with the member (except where the child is a child of a spouse of the deceased person but not of the deceased person);
  - was, in the opinion of CSC, wholly or substantially dependent upon the member; and
  - where the child is born, after the death of the member, and would have, in the opinion of CSC, ordinarily lived with, or been wholly or substantially dependent on, the member if the child had been born before the death of the member.

The meaning of child in the *Family Law Act 1975* includes children:

- born to a woman as the result of an artificial conception procedure while that woman was married to, or was a de facto partner of, another person (whether of the same sex or opposite sex); or
- who are children of a person because of an order of a state or territory court made under a state or territory law prescribed for the purposes of section 60HB of the *Family Law Act 1975*, giving effect to a surrogacy agreement.

Children's pensions are payable on the death of a contributing member in accordance with Table 1, until the child reaches 18 years of age or until the age of 25 if the child is a full-time student and not ordinarily employed. If there is a spouse and eligible children, the amount of spouse's pension payable is increased in respect of the eligible children. If there are eligible children, but no eligible spouse, then orphans' benefits are payable.

A child under the age of 18 or 25 while a full-time student and not ordinarily employed, who was not living with or was not wholly or substantially dependent on, the deceased (called a partially-dependent child) may be entitled to benefits if the deceased:

- was voluntarily making, or required by a court to make, regular maintenance payments in respect of the child; and
- in the opinion of CSC, would have been voluntarily making, or required by a court to make, such payments in respect of the child if the child had been born before the deceased's death.

The rate of pension payable to a partially-dependent child is usually the lesser of:

- the pension calculated in accordance with Table 1; or
- the amount of maintenance payments that were being made, or would have been made, in respect of the child.

The benefit payable to or on behalf of eligible children following the death of a preserved benefits member is a lump sum of the former member's preserved benefit as accrued to the date of death. This benefit may be apportioned where two or more eligible dependants are not living together.

Lump sum payable to orphans

Orphans' benefits are payable to eligible children if you die without an eligible spouse. Where a contributing member, who was not a limited benefits member, dies and an orphans' pension is payable, the pension is paid up to the age of 18 or up to age 25 while the orphan is a full-time student. This means that the pension may only be paid for a short period of time.

A lump sum benefit may also be payable if the total amount of pension expected to be paid is less than the lump sum that is required to be paid to meet superannuation guarantee obligations. This is generally different to the member's total defined benefit.

A lump sum benefit is payable in lieu of a pension to or on behalf of the orphan(s) following the death of a limited benefits member.

Rates of orphans' pension

This benefit is based on the pension that would have been payable had the deceased contributor become entitled to invalidity benefits. The rate of pension payable depends on the number of eligible children, as shown below.

Table 2: Calculation of orphans' pension

Number of orphans	Amount as percentage of former member's pension entitlement
One	45%
Two	80%
Three	90%
Four or more	100%

Higher dependant pension option

If you retire on age or involuntary retirement grounds or claim your preserved benefit on age grounds you can elect to receive a reduced pension in return for your spouse and/or children receiving a higher pension following your death.

By electing to reduce your pension to 93% of the normal pension rate, your spouse and/or children will receive a higher pension following your death. Table 3 shows the various percentages payable.

Table 3: Calculation of higher dependant pension

Number of dependants	Rate payable to an eligible spouse and child	Rate payable to an orphan
One	(spouse) 85%	51%
Two	(spouse plus one child) 97%	92%
Three	(spouse plus two children) 108%	108%
Four or more	(spouse plus three children) 108%	108%

Example 5: Calculation of higher dependant pension

At the time of retirement John elected to receive the higher dependant option.

His initial retirement pension benefit was $50,000. Following his election for a 93% benefit this is reduced to $46,500. The pension rate payable to a surviving spouse and one child would be: $46,500 x 97% = $45,105

This option is elected at the date of retirement by the member. It is not made by a dependant after the member's death.

This option is not available if you retire on invalidity grounds or if you die while you are still a contributing or preserved member of PSS.

Minimum benefit payable: death of a pensioner

The minimum benefit that must be paid in respect of a PSS member varies depending on whether the member retired on age or involuntary grounds or on invalidity grounds.

If you retired on age or involuntary grounds, or were a preserved member before your pension became payable, the minimum benefit is the total of your member contributions and fund earnings and the minimum employer benefit payable under the super guarantee legislation. This minimum benefit may be less than the total benefit when it was claimed.

If you retired on invalidity grounds, the minimum benefit is the benefit accrual up to the date of invalidity retirement (i.e. it does not include an amount in respect of the benefit that would have accrued had you continued working to age 60).

Where no further pension is payable (i.e. you die and no spouse and/or children's pensions are payable, or your spouse subsequently dies and no children's benefit is payable), the minimum benefit payable is compared to the total benefits paid out as pension and lump sum and any minimum benefit balance is paid to your estate.

Payment of benefit where there are no dependants

If you die without a spouse or eligible children, any benefits are paid as a lump sum only to:

- any child(ren) who would otherwise not be eligible for benefits, e.g. children over 18 but not undertaking full-time study; or
- your legal personal representative.

If you die while a contributing member, and no spouse and/or children's benefits are payable, the benefit payable is a lump sum of the final benefit accrual (including prospective service to age 60) you would have received had you become entitled to Invalidity benefits (provided you were not a limited benefits member).

If you die while a preserved member and no spouse and/or children's benefits are payable, a benefit comprising of your total preserved benefit at the time of death is payable to the estate.

Surcharge debts

If you die as a contributing member or a preserved member any surcharge debt is deducted from outstanding benefits payable to your estate or spouse and/or children.

Bi-annual adjustment of pensions

Pensions paid in respect of spouses and/or children are subject to bi-annual adjustments based on upwards movements in the consumer price index (CPI).

How to notify CSC of the death of a loved one

If you're a family member or representative of a CSC member or pensioner who has passed away, you should get in touch to let us know as soon as you're able.

When you're ready, call **02 6192 9521** and one of our dedicated Case Managers will guide you through the next steps.

If you would prefer to do this online, you can complete a form on our website.

If you have ADIC there are additional steps in the claims process, you can find this information on page 20 Steps: Death benefit claims

Additional Death and Invalidity Cover (ADIC)

Additional Death and Invalidity Cover is an arrangement available to contributing members of PSS who are under age 60. ADIC provides additional cover on death or *Total and Permanent Disablement* (TPD), where you may not achieve the maximum coverage that would be available through PSS. An example of this is if you joined or rejoin PSS later in life and have a short prospective service career before turning 60.

If you are a contributing member of PSS, you can apply for ADIC, as long as any additional cover, together with your ongoing and projected benefit accrual, does not exceed your potential Maximum Benefit Limit (MBL)—a limit on the benefit you can receive. The cover amount may be reduced overtime to ensure you do not exceed your MBL.

For more information about Maximum Benefit Limits, see page 3

Important information

This information describes the main features of ADIC offered through PSS and is intended as a general guide only. The information in this section is based on the terms and conditions of the insurance policy which Commonwealth Superannuation Corporation (CSC) (ABN 48 882 817 243, AFSL 238069 and RSE Licence No. L0001397) currently holds on behalf of members of PSS as at this **Product Disclosure Statement (PDS)** publication date.

The policy which CSC currently holds on behalf of PSS members as at this PDS publication date is issued by AIA Australia Limited ('AIA Australia' or 'the insurer') (ABN 79 004 837 861, AFSL 230043). AIA Australia has consented to the statements referable to it in this document in the form and context in which they are included. It is possible that the terms and conditions of the insurance policy held by CSC (including the premiums charged to members) may change from time to time due to AIA Australia changing these terms and conditions or if AIA Australia ceases to be the insurer. If this happens, the information in this section may become outdated. We will let you know about any significant changes to the terms and conditions of the insurance cover. The full terms and conditions relating to insurance are set out in the insurance policy and in the event of any dispute about insurance, the policy will take priority over the information in this section.

Terms in italics in this section come from the insurance policy and have specific meanings. See Definitions on page 21.

Who is eligible for ADIC?

Contributing members of PSS who are under age 60 at the time of application, this includes limited benefit members.

Who is not eligible for ADIC?

PSS members who are over the age of 60, or those who would reach their MBL if they retire on invalidity grounds or die as a contributing member.

Applying for cover

You can obtain a quote for cover and apply for ADIC using the LIFEapp online application tool, available through the CSC Navigator

Alternatively, you can use the Apply for or change ADIC form available at csc.gov.au/forms

Applying for cover requires a full health declaration and underwriting by the insurer.

If your application for cover is accepted by the insurer, your cover will commence on the date nominated by us and the first premiums will be due on the following payday.

Medical evidence

A personal medical statement is required with most applications for additional cover. You may also need to have a medical examination or produce medical reports from your doctor to establish your level of fitness to obtain the cover. If you need to have a medical examination, the insurer will advise you directly.

Acceptance of cover

The insurer may accept or decline your application and may apply special conditions, exclusions and/or premium loadings depending on your risk profile, for example if you have a pre-existing medical condition.

If you are offered cover with a premium loading and/or special acceptance terms, and later you believe you have fully recovered, you can apply to have the loading or special acceptance term removed from your cover.

Interim Death Cover

When you apply for ADIC, you'll get interim cover for up to 90 days from the date the insurer receives your application.

The amount of *Death By Accident* cover is the lower of:

- the amount of cover you've applied for; or
- $250,000.

The duty to take reasonable care

Before you enter into a life insurance contract, you have a legal duty to take reasonable care not to make a misrepresentation to the insurer before the contract of insurance is entered into.

A misrepresentation is a false answer, an answer that is only partially true, or an answer which does not fairly reflect the truth.

This duty applies to a new contract of insurance and also applies when extending or making changes to existing insurance, and reinstating insurance.

When you apply for life insurance, we conduct a process called underwriting. It's how we decide whether we can cover you, and if so, on what terms and at what cost.

We will ask questions we need to know the answers to. These will be about your personal circumstances, such as your health and medical history, occupation, income, lifestyle, pastimes, and current and past insurance. The information you give us in response to our questions is vital to our decision.

If you do not meet your duty

If you do not meet your legal duty, this can have serious impacts on your insurance. There are different remedies that may be available to us. These are set out in the *Insurance Contracts Act 1984 (Cth)*. These are intended to put us in the position we would have been in if the duty had been met.

Your cover could be avoided (treated as if it never existed), or its terms may be varied. This may also result in a claim being declined or a benefit being reduced.

Please note that there may be circumstances where we later investigate whether the information given to us was true. For example, we may do this when a claim is made.

Before we exercise any of these remedies, we will explain our reasons and what you can do if you disagree.

Guidance for answering our questions

You are responsible for the information provided to us. When answering our questions, please:

- Think carefully about each question before you answer. If you are unsure of the meaning of any question, please ask us before you respond.
- Answer every question.
- Answer truthfully, accurately and completely. If you are unsure about whether you should include information, please include it.
- Review your application carefully before it is submitted. If someone else helped prepare your application (for example, your adviser), please check every answer (and if necessary, make any corrections) before the application is submitted.

Changes before your cover starts

Before your cover starts, we may ask about any changes that mean you would now answer our questions differently. As any changes might require further assessment or investigation, it could save time if you let us know about any changes when they happen.

If you need help

It's important that you understand this information and the questions we ask. Ask us or a person you trust, such as your adviser for help if you have difficulty understanding the process of buying insurance or answering our questions.

If you're having difficulty due to a disability, understanding English or for any other reason, we're here to help. If you want, you can have a support person you trust with you.

Notifying the insurer

If, after the cover starts, you think you may not have met your duty, please contact us immediately and we'll let you know whether it has any impact on the cover.

Amount of cover you may be eligible for

The maximum amount of cover available to you is based on your *Average Salary* and your age when you first apply for ADIC. This maximum amount of cover can be calculated using Table 4.

Table 4: Maximum amount of additional cover available

Age of member when cover first taken	Maximum amount of additional cover
Less than age 40	2.20 x *Average Salary*
Age 40 to age 49	1.65 x *Average Salary*
Age 50 to age 59	1.10 x *Average Salary*
Age 60 or more	Not available

The amount of additional cover available may differ if you're a casual employee.

Calculate the maximum amount of ADIC available

Paul, aged 44, with an *Average Salary* of $88,000 chooses to take out ADIC, the maximum amount of cover available to him, would be calculated as follows:

Average Salary	= $88,000
Maximum multiple	= 1.65 x *Average Salary*
Amount of cover	= 1.65 x $88,000 = $145,200

As the amount of cover together with your benefit accrual can't exceed your potential MBL you may not be eligible for the maximum amount of cover available for your age. The amount of cover you are eligible for depends on your:

- age
- *Average Salary*
- *Maximum Benefit Limit* (MBL)
- current benefit accrual
- prospective benefit accrual.

Cover does not reduce when you move to a reduced employment state (i.e. move from full time to part time employment).

Cost of cover

One of the benefits of ADIC is your *Employer* will pay half of the standard premium (see Table 5), with the remainder automatically paid by you from your pay each fortnight. The standard cost of ADIC is based on your age at your most recent birthday and how much you're insured for.

Our insurer may also apply additional premiums to this standard premium amount depending on your individual risk profile, if this happens your *Employer* will still pay half the standard premium and you will pay the remainder, including the additional premium.

Any premium paid by your *Employer* will count towards your *Concessional Contributions Cap*, and any premium you pay will count towards your *Non-Concessional Contributions Cap*.

The annual cost of additional cover for a standard risk is outlined below.

Table 5: Annual cost of additional benefit cover per $1,000 cover

Age last birthday	Death Rate Per Year $	TPD Rate Per Year $	Death and TPD Rate Per Year $	Age last birthday	Death Rate Per Year $	TPD Rate Per Year $	Death and TPD Rate Per Year $
15	0.13	0.02	0.15	**38**	0.24	0.58	0.82
16	0.14	0.03	0.17	**39**	0.25	0.67	0.92
17	0.17	0.03	0.20	**40**	0.26	0.73	0.99
18	0.19	0.04	0.23	**41**	0.28	0.82	1.10
19	0.21	0.06	0.27	**42**	0.31	0.92	1.23
20	0.21	0.06	0.27	**43**	0.34	1.08	1.42
21	0.22	0.07	0.29	**44**	0.37	1.25	1.62
22	0.21	0.07	0.28	**45**	0.40	1.44	1.84
23	0.21	0.08	0.29	**46**	0.44	1.67	2.11
24	0.21	0.09	0.30	**47**	0.49	1.93	2.42
25	0.19	0.11	0.30	**48**	0.52	2.25	2.77
26	0.19	0.12	0.31	**49**	0.57	2.58	3.15
27	0.19	0.15	0.34	**50**	0.60	2.97	3.57
28	0.19	0.17	0.36	**51**	0.66	3.41	4.07
29	0.19	0.19	0.38	**52**	0.71	3.93	4.64
30	0.19	0.21	0.40	**53**	0.75	4.47	5.22
31	0.19	0.24	0.43	**54**	0.81	5.08	5.89
32	0.19	0.25	0.44	**55**	0.87	5.73	6.60
33	0.19	0.28	0.47	**56**	0.93	6.48	7.41
34	0.19	0.35	0.54	**57**	1.01	7.36	8.37
35	0.20	0.40	0.60	**58**	1.10	7.91	9.01
36	0.21	0.46	0.67	**59**	1.20	8.53	9.73
37	0.21	0.53	0.74				

Calculate your ADIC premium

Example 6: Calculation of fortnightly ADIC Cost

Paul, aged 44, with an *Average Salary* of $88,000 chooses to take out ADIC. The cost of his annual premium, assuming he is a standard risk and his actual plus prospective multiple is less than 8.35, would be calculated as follows:

Average Salary	= $88,000
Maximum multiple	= 1.65 x *Average Salary*
Amount of cover	= 1.65 x $88,000 = $145,200
Rate for age 44 (last birthday)	= $1.62 per $1,000 cover
Annual premium	Amount of cover ÷ $1,000 ($145,200 ÷ $1 000) = 145.2 = $1.62 x 145.2 = $235.22
Fortnightly cost	Annual premium ÷ annual fortnights ($235.22 ÷ 26) = $9.05
Paul's share	= $4.53 per fortnight
Employer's share	= $4.53 per fortnight

The dollar amount of cover will be varied automatically each year on your birthday to take account of any change in your contribution percentage rate, *Average Salary* and/or your prospective multiple. You can also apply to vary your ADIC from time to time, provided it does not cause you to exceed your MBL. An increase in cover is subject to a full application and underwriting by the insurer.

How is ADIC Paid?

Invalidity: If you retire on invalidity grounds, ADIC will make up a portion on your invalidity pension.

Terminal illness: if invalidity retirement is due to a terminal illness, you can choose to receive the payment as a lump sum.

Death: If you die, your eligible spouse and/or children can take the benefit as either a lump sum or an indexed pension. If you die without dependants, the benefit is paid to your estate as a lump sum.

Example 7: ADIC benefit contribution comparison

Natalie joined PSS at age 32 and is retired on medical grounds at age 44 after 12 years' membership. Natalie has been contributing at an average rate of 5% of salary over that period. Her FAS was $72,000 and she took out the maximum additional cover of $118,800 (1.65 x $72,000) when she was 42.

Her total invalidity pension per year would be:

Average Salary	= $72,000
Accrued Benefit Multiple*	= 5.88
Maximum amount of additional cover	= $118,800
Pension conversion factor at age 60	= 11
Pension benefit: maximum additional cover	
(Accrued Benefit Multiple* x FAS + additional cover) ÷ pension conversion factor	
(5.88 x $72,000 + 118,800) ÷ 11	= $49,287.27 per year
Pension benefit: no additional cover	
(Accrued Benefit Multiple* x FAS) ÷ pension conversion factor	
(5.88 x $72,000) ÷ 11	= $38,487.27 per year

*The Accrued Benefit Multiple is the total of the ongoing multiple (what Natalie accrued up until she ceased employment) and the prospective multiple (what Natalie would have received had she continued contributing until age 60).

Example 8: Spouse benefit including ADIC:

Using the same example, if Natalie were to die at age 44, leaving an eligible spouse and two children, the following benefit could be paid to her spouse:

Full pension benefit: maximum additional cover	
Total Invalidity pension per year x the rate of pension for eligible dependants	
$49,287.27 x 89%	= $43,865.67 per year
Full pension benefit: no additional cover	
Total Invalidity pension per year x the rate of pension for eligible dependants	
$38,487.27 x 89%	= $34,253.67 per year
OR	
Natalie's spouse and children's lump sum	
Lump sum benefit: maximum additional cover	
Accrued Benefit Multiple x FAS + additional cover	
(5.88 x $72,000 + 118,800)	= $542,160 gross
Lump sum benefit: no additional cover	
Accrued Benefit Multiple x FAS	
5.88 x $72,000	= $423,360 gross

Leave without pay

If you go on approved leave without pay (**LWOP**), subject to the payment of premiums, your cover will continue until you return to work (as long as you pay your fortnightly premium), provided the period doesn't exceed 24 months. If you do not return to work within 24 months, your cover will cease 30 days after the end of the 24-month period. You can apply to extend the cover by completing the ADIC Application to continue while on leave without pay form (this is subject to approval by the insurer).

Premiums will be payable while on leave without pay (LWOP) for any period of LWOP that your employer is:

- required to pay fortnightly employer contributions - they will continue to pay half of the standard premiums.
- not required to pay fortnightly employer contributions - you will be responsible to pay the full premium for the period of leave.

Whilst on LWOP you will be unable to have the premiums paid directly from your fortnightly pay, you will need to pay the premiums directly to us. It is important to email members.aps@contact.csc.gov.au or call **1300 000 377** and we can provide you with the relevant payment options.

Cover after you reduce your scheme contribution level

If you reduce your PSS contribution rate and this reduction results in a decrease in your normal full Death and Invalidity Benefit, a once only increase in additional cover of up to $15,000 will be allowed at that time, without an application and underwriting.

Overseas cover

ADIC continues where you have been posted overseas and remain gainfully employed. However, you are not permitted to increase your cover while overseas other than in respect of normal salary increases.

If you travel overseas for reasons other than for eligible employment for a period greater than 12 months, you will need to contact us to apply to extend your cover. If you make a claim for *TPD* whilst overseas, the insurer may request you return to Australia for examination before payment for a *TPD* benefit is made.

Continuation option

If you are under age 60 and have ADIC when you stop contributing to PSS, you may apply to continue your death cover within 60 days of ceasing membership. The insured amount cannot exceed the insured amount at the date you stopped contributing. During the 60-day period where you can apply to continue your cover, your death cover will continue free of charge.

The continuation of cover is subject to premium changes and evidence of health submissions, and is provided directly to you by the insurer (AIA Australia Limited) who will provide a new policy governed by new terms and conditions where continuation cover is granted. Neither CSC, or your *Employer* (past or present) have any role in the continuation of cover and are not responsible for the premium. Contact AIA Australia on **1800 333 613** for more information about the options available and the conditions applying to this option.

When we can’t pay a benefit under ADIC

There are some situations where we can’t pay a death or *TPD* benefit because certain events are excluded from cover. No benefit will be paid in the event of Death due to:

- active service in the armed forces of any country or international organisation; or
- death caused as a result of any intentional, self-inflicted act, whether while sane or insane, within 13 calendar months from the date you join or increase your cover.

No benefit will be paid in the event of *TPD* due to:

- intentional, self-inflicted injury or sickness or any attempt at suicide;
- active service in the armed forces of any country or international organisation; or
- declared or undeclared war or any act of war.

Members who are deployed on peacekeeping operations should be aware that (subject to actual duties and the nature of the posting), the above exclusions may apply and there is a risk that you may not qualify for the ADIC component of your benefit in certain circumstances.

When ADIC stops

ADIC will stop on the date of whichever of the following happens first:

- for death cover, 60 days after you cease being employed by an *Employer*;
- for TPD cover, the date you leave employment with an *Employer*;
- you turn 60;
- you cancel you cover;
- 30 days after you cease to pay premiums, your insurance cover can be reinstated where you or your *Employer* pay all outstanding premiums within 60 days of cessation of the insurance cover. You will not be required to provide further medical information where this occurs;
- the date you die or are paid a benefit under this policy;
- the date you retire from the workforce;
- the date you effect a Continuation Option with AIA Australia;
- the date you commence active duty in the armed forces; or
- the date you cease to be a PSS member.

Claiming your ADIC

We’re here to support you, the sooner we know about your injury or illness, the sooner we can assist you with your claim. Even if you have an existing employment process underway or are on leave please let us know.

Claiming ADIC is a separate process to claiming benefits from PSS. When you apply for invalidity retirement, the insurer may require you to undergo a separate medical examination by an AIA Australia approved medical practitioner. The insurer will need to determine your eligibility for payment of the ADIC under the group life insurance policy.

We’re with you every step of the way

When you or your *Employer* let us know you’d like to make a claim, we’ll pair you up with a dedicated case manager who will personally oversee the process. Your case manager will:

- help you with the paperwork and answer your queries
- be a direct contact for you, all the way through your claim
- monitor progress and talk to the insurer on your behalf
- keep you up-to-date with how your claim’s going
- make sure your claim is being assessed efficiently.

Steps: TPD and Terminal Illness benefit claims

1. We will start the process

Once you let us know you want to claim your ADIC or your *Employer* has provided us with the completed application for issue of Invalidity retirement certificate we will assign you with a dedicated case manager. Your case manager will talk you though the claims process and provide you with our insurers claim forms.

2. Complete the paperwork and lodge the claim

Work with your dedicated case manager to complete the insurer's claim form and the Medical Attendant's statement completed by your treating doctor. We will check your application and give your documents to the insurer for assessment.

Remember your case manager is here to help you, if you have any difficulties completing this paperwork or obtaining this information please let us know.

3. The insurer will assess your claim and make a decision

The insurer uses the information you've given us to assess your claim to decide whether, in its opinion, you've met the requirements under the policy to access your benefit.

To help their assessment along, they may also ask you to:

- give them more information about you or your work, like what your work-related duties are
- provide reports from your doctors, or make an appointment for a medical exam with one or more independent specialists.

We'll keep you updated on the progress of your claim every step of the way, you'll receive an update every 20 business days. Usually, your case manager will be the go-between, between you and the insurer—but sometimes the insurer may contact you directly.

The insurer will decide if they are going to accept or decline your claim. They'll let us know how they reached their decision, then it's over to us.

4. We'll review the decision independently

We're committed to acting in your best interest, so we'll always review the insurer's claim decision.

During this review, we'll assess whether we agree with the insurer's decision.

A. Claim accepted.

If your *TPD* or Terminal illness claim is approved, we will write to you and let you know. If your PSS Invalidity Retirement Benefit has already been paid, we will adjust your pension to include your ADIC benefit.

If your claim is for a terminal illness, you may be eligible to receive a lump sum benefit.

For more information about terminal illness, see page 4.

B. Claim declined.

If your claim is declined, we will review the decision and the evidence provided

If we don't agree with the insurer's decision, we'll ask them to review the claim or to arrange more medical evidence.

If we agree with the decision, the case manager will let you know how to request a review and how to lodge a formal complaint.

If you do this, and you're not satisfied with how we manage your formal complaint (or you don't get our response within 45 days of submitting your complaint), you may contact the Australian Financial Complaints Authority on **1800 931 678** or via info@afca.org.au or at afca.org.au

Steps: Death benefit claims

1. Contact us and we will lodge the claim

If you're a family member or representative of a PSS member who has passed away, call **02 6192 9521** and one of our dedicated case managers will assist you with the claims process. Your case manager will lodge the ADIC claim with our insurer on your behalf.

2. The insurer will assess your claim and make a decision

The insurer uses the information you've given us to assess the claim to decide whether, in its opinion, the requirements under the policy have been met to access the benefit. We'll keep you updated on the progress of your claim every step of the way.

The insurer will decide if they are going to accept or decline the claim. They'll let us know how they reached their decision, then it's over to us.

3. We'll review the decision independently

We're committed to acting in your best interest, so we'll always review the insurer's claim decision.

During this review, we'll assess whether we agree with the insurer's decision.

A. Claim accepted.

If the claim is approved by the insurer, we will write to you and let you know. If the PSS death benefit has already been paid, we will adjust any pensions to include your ADIC benefit. If there is more than one eligible beneficiary, the ADIC payment will be apportioned the same way as the PSS death benefit.

B. Claim declined.

If the claim is declined, we will review the decision and the evidence provided.

If we don't agree with the insurer's decision, we'll ask them to review the claim or to arrange more medical evidence.

If we agree with the decision, the case manager will let you know how to request a review and how to lodge a formal complaint.

If you do this, and you're not satisfied with how we manage your formal complaint (or you don't get our response within 45 days of submitting your complaint), you may contact the Australian Financial Complaints Authority on **1800 931 678** or via info@afca.org.au or at afca.org.au

Definitions

Average Salary means the average of your salary on your latest three birthdays.

Death By Accident means death directly and independently of any other cause from an unforeseen and unintended accident happening to you and caused by violent, external and visible means.

Concessional contributions include contributions such as Employer contributions, Salary Sacrifice and any personal contributions you claim as a personal tax deduction. For more information, refer to Tax and your super.

Employer means the Australian Public Service or other body whose employees can become members of the Public Sector Superannuation Scheme including any approved authorities with PSS members.

Non-Concessional contributions include contributions such as personal contributions from money that has already been taxed. For more information, refer to Tax and your super.

Registered Medical Practitioner means a legally qualified and properly Registered Medical Practitioner. It does not include an Employer, you, or a member of the Employer's or your immediate family or business partner.

Total and Permanent Disablement (TPD)

If you were accepted for cover **before** 1 July 2014, *Total and Permanent Disablement* means:

(a) where you as a result of injury, sickness or disease:

- have not performed any work for an uninterrupted period of at least six (6) consecutive months solely due to the same injury, sickness or disease; and
- are attending a *Registered Medical Practitioner* and have undergone all reasonable and usual treatment including rehabilitation for the injury, sickness or disease; and
- after consideration of all medical and other evidence as AIA Australia may require, have become incapacitated to such an extent as to render you unlikely ever to be able to engage in your own occupation and any occupation for which you are reasonably suited by education, training or experience;

or

(b) you have suffered the total and irrecoverable loss of use of:

- sight of both eyes; or
- use of two limbs; or
- sight of one eye and use of one limb.

If you are accepted for cover **on** or **after** 1 July 2014, *Total and Permanent Disablement* means:

(a) you as a result of injury, sickness or disease:

- have not performed any work for an uninterrupted period of at least six (6) consecutive months solely due to the same injury, sickness or disease; and
- are attending a *Registered Medical Practitioner* and have undergone all reasonable and usual treatment including rehabilitation for the injury, sickness or disease; and
- after consideration of all medical and other evidence as AIA Australia may require, have become incapacitated to such an extent as to render you unlikely ever to be able to engage in your own occupation and any occupation for which you are reasonably suited by education, training or experience;

or

(b) you have suffered the total and irrecoverable loss of use of:

- sight of both eyes; or
- use of two limbs; or
- sight of one eye and use of one limb;

and in all cases, after consideration of all medical and other evidence as AIA Australia may require you have become incapacitated to such an extent as to render you unlikely ever to be able to engage in your own occupation and any occupation for which you are reasonably suited by education, training or experience.

Privacy

We're committed to protecting your privacy. We collect your personal information for the purposes of providing superannuation services to you, (this includes the management of your insurance cover), improving our products and to keep you informed.

We will only share your personal information where necessary for providing superannuation services to you.

This may include disclosing your personal information to our scheme administrator, our insurer AIA Australia, our service providers or government or regulatory bodies.

Your personal information may be accessed overseas by our service providers. Please see our privacy policy for full details. Your personal information will not be otherwise used or disclosed unless required or permitted under law.

A full copy of our privacy policy as well as the privacy complaint process is available at csc.gov.au/privacy

Your privacy is important to AIA Australia. By becoming a customer, or otherwise interacting or continuing your relationship with AIA Australia directly or via a representative or intermediary, you confirm that you agree and consent to the collection, use (including holding and storage), disclosure and handling of personal and sensitive information in the manner described in the AIA Australia Group Privacy Policy on AIA Australia's website as updated from time to time (AIA Australia Privacy Policy).

AIA Australia's current Privacy Policy is available at aia.com.au/en/privacy-policy or by calling **1800 333 613**. In summary, for the purposes set out in AIA Australia's Privacy Policy (including for the purposes of administering, assessing or processing your insurance or any claim) AIA Australia may:

- collect Personal Information from you, including from application forms or other information submitted in respect of your insurance, or when interacting with you (including online);
- collect your Personal Information from, and provide to, third parties in Australia and overseas, such as your representatives (including your financial adviser), the trustee and administrator of a superannuation fund, employers, health professionals, reinsurers, government agencies, service providers and affiliates;
- be required or authorised to collect your Personal Information under various laws including insurance, taxation, financial services and other laws set out in AIA Australia's Privacy Policy; and
- disclose Personal Information to third parties which may be located in Australia, South Africa, the US, the United Kingdom, Europe, Asia and other countries including those set out in AIA Australia's Privacy Policy.

If you do not provide the required Personal Information, AIA Australia may not be able to provide insurance or other services to you. Information about how to access or correct your Personal Information held by AIA Australia or lodge a privacy-related complaint is set out in AIA Australia's Privacy Policy.

If the Financial Services Council Life Code of Practice ('Code') applies to the insurance cover AIA Australia provides you, AIA Australia will comply with the Code when AIA Australia collects, uses and discloses your Personal Information. Where AIA Australia provides your Personal Information to a third party, the third party may collect, use and disclose your Personal Information in accordance with their own privacy policy and procedures. These may be different to those of AIA Australia.

The most recent version of the AIA Australia Privacy Policy at aia.com.au/en/privacy-policy applies to and supersedes all previous Privacy Policies and/or Privacy Statements and privacy summaries that you may receive or access.