

APPLYING FOR A TOTAL AND PERMANENT DISABLEMENT (TPD) BENEFIT

WHAT IS A TPD BENEFIT?

A TPD benefit is an early release of your Active Super Accumulation Scheme account balance on medical grounds. It may also include an insurance payment, depending on whether or not you hold TPD insurance cover with Active Super and you qualify for payment of your sum insured.

If you also hold Salary Continuance Insurance (SCI) cover with Active Super you are able to apply for SCI payments. For more information on SCI benefits, please refer to the *Voluntary insurance* fact sheet at activesuper.com.au or call our member services team on 1300 547 873 between 8.30am and 5.00pm, Monday to Friday to request a *SCI application* form.

How is a TPD benefit paid?

There are two parts to a TPD payment that you can apply for:

- a. Your superannuation account balance – you can apply for payment of your account balance if the Trustee is satisfied that you are suffering from permanent incapacity.

Under the superannuation legislation, a member of a superannuation fund is taken to be suffering permanent incapacity if:

A trustee of the fund is reasonably satisfied that the member's ill-health (whether physical or mental) makes it unlikely that the member will engage in gainful employment for which the member is reasonably qualified by education, training or experience.

- b. Your insurance cover (if applicable) – you can apply for payment of your TPD cover if you satisfy the applicable TPD definition. For more information, please refer to 'Important notes for members with TPD insurance cover' on page 2.

Am I able to access all of my account balance?

Commonwealth legislation usually requires at least part of your superannuation to be retained in the superannuation system until a condition of release has been satisfied. This is known as preservation.

If your application for payment of a TPD benefit is approved, you are considered to have satisfied the condition of release relating to permanent incapacity and your benefit is payable in full, including any previously preserved component.

If you withdraw your full Active Super Accumulation Scheme account balance your death cover will cease.

WHO WILL ASSESS MY TPD CLAIM?

This depends on what you are applying for:

- If you are applying for payment of your Accumulation Scheme account balance only, then the Active Super Trustee will assess your claim.
- If you are applying for payment of your Accumulation Scheme account balance and TPD insurance cover, the Active Super Trustee will make an assessment in respect of the payment of your account balance and the Insurer, will assess your claim in respect of your TPD cover.

If you are also applying for SCI cover, this will also be assessed by TAL. Please refer to the *Applying for a SCI benefit* fact sheet at activesuper.com.au

Can I choose how to receive my TPD benefit?

Yes, you can choose one or more of the following payment options:

- Receive all or part of your TPD benefit in cash (subject to superannuation preservation rules)
- Leave your benefit in the Active Super Accumulation Scheme (a new account will be opened for you and your TPD will be transferred to the new account)
- Roll over all or part of your TPD benefit to the Active Super Account Based Pension Plan
- Roll over all or part of your TPD benefit to another complying superannuation fund.

IMPORTANT NOTES FOR MEMBERS WITH TPD INSURANCE COVER

Change to TPD definition

Effective 1 December 2015, the definition of TPD changed. If you are applying for payment of your TPD insured amount, it is important that you know which TPD definition applies to you:

- If your date of disablement occurred on or after 1 December 2015: the TPD definition applicable to you is contained in Appendix A of this document.
- If your date of disablement occurred prior to 1 December 2015: the previous definition of TPD applies to you. This definition is contained in Appendix B of this document.

In either case, you should disregard the definition that does not apply to you.

Generally speaking, your date of disablement is the date on which you became unable to work, solely and directly because of the illness or injury which has caused you to make your claim.

Retaining your death insurance cover

If you withdraw your full Active Super Accumulation Scheme account balance, your insurance cover will cease.

If you hold a higher level of Active Super death insurance cover than TPD insurance cover and you are eligible to receive payment of your TPD insurance cover, you will be eligible to retain the balance of your death insurance cover with Active Super. If you want to do so, you must keep your Active Super Accumulation Scheme account open by leaving some funds in your account and ensuring that you maintain a sufficient balance to fund future insurance premiums and ensuring that your account does not become 'inactive'. Inactive accounts are those Applying for a Total and Permanent Disablement (TPD) benefit that have not received a contribution in 16 months. Alternatively, you can 'opt-in' to keep your insurance if your account becomes inactive.

WHAT DO I NEED TO PROVIDE IN ORDER TO MAKE A CLAIM?

1. If you are applying for payment of your account balance only (i.e., no insurance)

If you are applying only for payment of your account balance at this time (because you do not hold insurance with Active Super or you don't yet qualify for payment of your insured amount), please complete and return the following forms to us:

- *Application for Total and Permanent Disablement (TPD) benefit form*
- *Two Incapacity certificates* signed by your medical practitioner and specialist
- Certified copy of your *Proof of identity form*

2. If you are applying for payment of your account balance and lump sum TPD insurance cover

If you are applying for payment of your account balance as well as TPD insurance cover, please complete and return the following forms to us:

- *Application for Total and Permanent Disablement (TPD) benefit form*
- *Two Incapacity certificates* signed by your medical practitioner and specialist
- *Member's statement*
- *Employer's statement*
- *Attending doctor's statement (TPD)*
- Certified copy of your *Proof of identity form*

3. If you are applying for payment of your account balance, lump sum TPD insurance cover and SCI cover

If you are applying for payment of your account balance, TPD cover and SCI cover, please complete and return the following forms to us:

- *Application for Total and Permanent Disablement (TPD) benefit form*
- *Two Incapacity certificates* signed by your medical practitioner and specialist
- *Member's statement*
- *Employer's statement*
- *Attending doctor's statement* (Income protection)
- Certified copy of your *Proof of identity* form

For more information about certification and acceptable documents for identification, please refer to the enclosed *Proof of identity* fact sheet.

WHERE DO I NEED TO SEND MY APPLICATION?

Once you have all the required information, please send your application to:

Active Super

PO Box N835

Grosvenor Place NSW 1220

How will I know how my application is progressing?

We will process your claim as quickly as possible and Active Super or the Insurer will contact you directly if we require further information from you to assess your claim.

If you require further information, please call Member Services on 1300 547 873, between 8.30am and 5.00pm, Monday to Friday.

UNDERSTANDING YOUR BENEFIT ENTITLEMENT

You are entitled to be provided with any information you may reasonably require for the purpose of understanding your benefit entitlement. The Accumulation Scheme PDS provides more information about any insurance you may hold, as well as any fees and charges that may apply to your benefit payment. Your latest member statement or Member Online will provide you with information on the balance of your account, plus the value of any insurance cover you hold with Active Super.

INFORMATION ON PRIVACY

We are fully committed to comply with the Australian Privacy Principles in the way that information is collected, stored and used. Full details on how this is achieved are contained within Active Super's Privacy Policy, a copy of which is available at activesuper.com.au or from Member Services.

APPENDIX A: TOTAL AND PERMANENT DISABLEMENT (TPD) DEFINITION FROM 1 DECEMBER 2015

Important note: The definition of Total and Permanent Disablement (TPD) and all other information provided below applies to you only if your Date of Disablement occurred on or after 1 December 2015.

If your Date of Disablement occurred prior to 1 December 2015 you should instead refer to Appendix B: Total and Permanent Disablement (TPD) definition prior to 1 December 2015.

DEFINITION OF TPD

TPD means one of the following as determined by the terms of the Policy:

Definition 1: Education, Training or Experience

means that the Insured Person:

- A. solely and directly as a result of Illness or Injury, has been continuously absent from engaging in or, being unemployed, unable to accept employment in:
 - i) their occupation; and
 - ii) any other occupation,for an uninterrupted period of at least six consecutive months immediately following the Date of Disablement;
- B. is regularly attending and under the ongoing and appropriate care and treatment of a Medical Practitioner with respect to the Illness or Injury; and
- C. in the Insurer's opinion is disabled to such an extent as to render them incapable of ever engaging in any occupation for which the Insured Person;
 - i) is at the end of the six consecutive month period; and
 - ii) is by the time the Insurer forms their opinion, or can be expected following the time the Insurer forms their opinion, to become, reasonably suited by education, training or experience.

In forming their opinion, the Insurer will have regard to factors including but not limited to:

- iii) any rehabilitation, retraining, re-skilling, work or voluntary work that has been undertaken by the time the Insurer forms their opinion, or could reasonably be expected to be undertaken by the Insured Person within a reasonable time period; and

- iv) all evidence available to the Insurer for the period up to the time the Insurer forms their opinion.

Definition 2: Everyday Working Activities

means where the Insured Person, in the Insurer's opinion:

- A. solely and directly as a result of Illness or Injury which occurred after cover has commenced is permanently unable to perform at least three of six Everyday Working Activities without the physical assistance of another person, despite the use of appropriate assistive aids and appropriate prescribed medication and that permanent inability has lasted for at least an uninterrupted period of six consecutive months or more immediately following the Date of disablement; where Everyday Working Activities means Mobility, Rising/Sitting, Communicating, Vision, Lifting and Manual Dexterity and:
- **Mobility** means the ability to walk more than 200m on a level surface without stopping due to breathlessness or severe pain in the body
 - **Rising/Sitting** means the ability to rise and sit using a chair with arms without the help of another person
 - **Communicating** means the ability to hear (with hearing aid or other aid if normally used) and speak with sufficient clarity to be able to hold a conversation in a quiet room in the Insured Person's first language
 - **Vision** means visual ability such that when tested (using visual aids if required), vision is measured at greater than 6/60 in the better eye using a Snellen eye chart
 - **Lifting and carrying** means the ability to lift (from bench height) and carry a 2kg weight, 10m and place back down at bench height
 - **Manual Dexterity** means the Insured Person can use either or both hands or fingers to manipulate small objects with precision (such as picking up a coin or fastening shoelaces or buttons, using cutlery, or using a pen or keyboard; and
- B. is regularly attending and under the ongoing and appropriate care and treatment of a Medical Practitioner with respect to the Illness or Injury;
- C. is Permanently Incapacitated.

Definition 3: Domestic Duties

means that the Insured Person:

- A. solely and directly as a result of Illness or Injury is:
- i. unable to perform unpaid Domestic Duties; and
 - ii. has not engaged in any Gainful Employment for a period of six consecutive months immediately following the Date of Disablement;
- B. is unable to leave their home without the physical assistance of another person;

- C. is regularly attending and under the ongoing and appropriate care and treatment of a Medical Practitioner with respect to the Illness or Injury; and
- D. in the Insurer's opinion, is disabled to such an extent as to render them incapable of ever engaging in:
 - i. those Domestic Duties; or
 - ii. any Gainful Employment for which the Insured Person:
 - a) which is after six consecutive months immediately following the Date of Disablement; and
 - b) for which the Insured Person is, by the time the Insurer forms their opinion, or can be expected following the time the Insurer forms their opinion, to become, reasonably suited by education, training or experience.

In forming their opinion, the Insurer will have regard to factors including but not limited to:

- a) any rehabilitation, retraining, re-skilling, work or voluntary work that has been undertaken by the time the Insurer form their opinion, or could reasonably be expected to be undertaken by the Insured Person within a reasonable time period; and
- b) all evidence available to the Insurer for the period up to the time the Insurer form their opinion.

Important notes:

In the above definition, domestic duties means the unpaid duties performed by a person and may include (but are not limited to):

- a. purchasing cleaning items;
- b. cleaning the family home;
- c. laundering and ironing clothing items for the household;
- d. purchasing food items and preparing meals for the household; or
- e. undertaking child rearing at the family home.

Insured Persons who are Gainfully Employed, seeking Gainful Employment or are performing unpaid Domestic Duties on less than a full-time basis will not be deemed to be performing Domestic Duties.

When does each TPD definition apply?

Definition 1 or Definition 2 applies:

for an Insured Person whose claim has been notified to the Insurer within five years of their Date of Disablement and who:

- at the Date of Disablement is less than 65 years of age;

- was working 15 hours or more per week immediately prior to their Date of Disablement (averaged over the last 12 months) or earlier as determined by the Insurer; and
- Is an Optional member not engaged in a hazardous occupation.

Definition 2 applies:

for an Insured Person who:

- at their Date of Disablement is 65 years of age or more; and/or
- was working less than 15 hours per week immediately prior to their Date of Disablement (averaged over the last 12 months) or earlier as determined by the Insurer; and/or
- notified the Insurer of their claim more than five years after their Date of Disablement.

Definition 3 applies:

for an Insured Person whose claim has been notified to the Insurer within five years of their Date of Disablement and who:

- at the Date of Disablement is less than 65 years of age; and
- immediately prior to the Date of Disablement, was not Gainfully Employed and was at home performing unpaid Domestic Duties.

Permanently Incapacitated

The TPD definition (Definition 2: Everyday Working Activities) contains a reference to an Insured Person being Permanently Incapacitated.

In order for a member to be considered to be Permanently Incapacitated the Insurer must be reasonably satisfied that the Insured Person’s ill-health (whether physical or mental) makes it unlikely that the Insured Person will engage in Gainful Employment for which the Insured Person is reasonably qualified by education, training or experience.

Gainfully Employed/ Gainful Employment

Gainfully employed means employed for gain or reward, or in the expectation of ‘gain or reward’ in any business trade, profession, vocation, calling, occupation or employment.

Note: ‘gain or reward’ envisages the receipt of remuneration such as salary, wages, business income, bonuses, commissions, fees or gratuities, in return for personal exertion.

APPENDIX B: TOTAL AND PERMANENT DISABLEMENT (TPD) DEFINITION PRIOR TO 1 DECEMBER 2015

Important note: The definition of Total and Permanent Disablement (TPD) and all other information provided below applies to you only if your Date of Disablement occurred prior to 1 December 2015.

If your Date of Disablement occurred on or after 1 December 2015 you should instead refer to Appendix A: Total and Permanent Disablement (TPD) definition from 1 December 2015.

DEFINITION OF TPD

Depending on your class of membership, not all definitions below will be applicable.

The definitions for TPD are:

a. Solely because of Illness or Injury you have suffered the permanent loss of:

- the use of two limbs (where 'limb' is defined as the whole hand below the wrist or the whole foot below the ankle)
- the sight in both eyes; or
- the use of one limb and the sight in one eye

or

b. Solely because of Illness or Injury you:

have suffered at least 25% Whole Person Impairment (based on the latest edition of the American Medical Association publication *Guides to the Evaluation of Permanent Impairment*, or an equivalent guide approved by us)

- are not engaged in any occupation; and
- are disabled to such an extent as to render you unlikely to ever be engaged in any occupation for which you are reasonably suited by education, training or experience

or

c. Solely because of Illness or Injury you are unlikely ever to be able to perform at least two of the following Activities of Daily Living without assistance from another person:

- Dressing: Put on and take off clothing
- Bathing: Wash or shower
- Toileting: Use of a toilet, including getting on and off

- Mobility: Get in and out of bed and a chair
- Feeding: Get food from a plate into the mouth

or

- d. Where at the time of disablement, you were employed 15 or more hours per week (averaged over the 13 week period prior to the Date of Disablement or such shorter period if employed for less than 13 weeks immediately prior to the Date of Disablement) and are aged 65 or less;
 - You have been absent as a result of an Illness or Injury from employment for six consecutive months; and
 - after consideration of all relevant evidence, the Insurer assesses that you are disabled to such an extent as to render you unlikely to ever again be engaged in any occupation for which you are reasonably suited by your education, training or experience

or

- e. Where at the time of disablement, you were not employed and were engaged in unpaid domestic duties at home, you:
 - are as a result of Illness or Injury under the care of a Medical Practitioner
 - are unable to perform those domestic duties
 - are unable to leave your home unaided
 - have not engaged in any gainful employment for a period of six consecutive months after
 - the occurrence of the Illness or Injury; and
 - at the end of the period of six months, in the Insurer's opinion, after consideration of all relevant evidence you are disabled to such an extent as to render you unlikely to perform those domestic duties or engage in any gainful occupation.

Important Notes on the application of Part (d) of the TPD definition:

1. Part (d) of the TPD definition is also available to members who are Casual Employees of a Participating Employer at the Date of Disablement, provided they had cover in force on the day before 1 March 2009. The requirement to work 15 or more hours per week is waived for this group of members and any claim will be assessed against their ability to perform a reasonably suited occupation for the average number of hours that they worked per week in the 13 weeks prior to the Date of Disablement.
2. The requirement to be employed for an average of 15 or more hours per week prior to the Date of Disablement in part (d) of the TPD definition is waived for all permanent full-time and part-time employees of a Participating Employer.

This has been issued by LGSS Pty Limited (ABN 68 078 003 497) (AFSL 383558), as Trustee for Local Government Super (ABN 28 901 371 321) (Active Super). The information in this document is general only and does not take into account your personal objectives, situation or needs. You should consider obtaining professional advice tailored to your personal circumstances and refer to the relevant Product Disclosure Statement available at activesuper.com.au before making a financial decision. Date issued: 16 August 2021