



Insurance through super.

Maximising your benefits.

In times of financial uncertainty, you might consider life insurance an unnecessary luxury. But what if you could keep your insurance cover without having to pay for it out of your everyday cashflow?

Benefits of insurance through superannuation

Purchasing insurance through your super allows you to take advantage of a number of financial benefits:

- **Preserve disposable income.** With premiums paid directly from the balance of your super fund your day-to-day cash flow is unaffected.
- **Access tax concessions.** If eligible, you can claim a tax deduction on super contributions to fund insurance premiums.
- **Pay premiums with pre-tax earnings.** Employer contributions into a super fund are paid with pre-tax dollars, so any insurance premium you pay from your super fund becomes a more tax effective premium solution.

What type of insurance can you access through super?

Through super, you have access to three important types of insurance cover:

- **Death cover** provides your beneficiaries with a lump sum benefit if you die.
- **Total and Permanent Disablement (TPD)** provides a lump sum benefit if you become seriously disabled and are unable to ever work again.
- **Income Protection**, provides an income stream for a specified period if you can't work due to temporary disability or illness.

How can you access these benefits?

Self managed super fund (SMSF)

SMSFs are another way of saving for your retirement. The difference between an SMSF and other types of super funds is that, generally, as a member of an SMSF, you are also the trustee. This means you are running an SMSF for your own benefit.

Recent changes to Superannuation Industry Supervision (SIS) Regulations, means that SMSF trustees must now also consider the life insurance needs of those SMSF members.

Superannuation platform partners

There are a number of companies that partner with super funds to allow you to select a product that provides the benefits of insurance through super without the need for an investment component.

Employer Superannuation Fund

It's compulsory for all employer super funds to provide members with some form of Death and TPD cover.

So if your employer is paying super contributions into a super fund on your behalf, then it's likely you will already have some insurance. Many funds will also offer Income Protection.

Of course you don't have to take it, but before opting out, consider some of the benefits:

- **Lower premiums.** Super funds generally offer lower premiums than retail or direct insurance because they can purchase insurance policies wholesale.
- **Automatic acceptance.** Most funds offer a level of automatic cover without you having to go through a lengthy underwriting process.
- **Choice.** Some super funds allow you to access insurance policies through a group or retail offer, so you can choose a solution that suits you best.

What else should you consider?

Buying insurance through super may seem like the perfect solution, but there are some things you should consider first:

- **The type and level of cover through super can be limited.** It's important you and your financial adviser assess the options and decide the right cover for your situation.
- **Keep track of your insurances through super.** If you have more than one super fund you may be paying for more than one policy.
- **Not all benefits are tax-free.** Tax may be payable on some benefits, depending on who receives the benefit and when it is paid out. If your beneficiary is not a dependant, there may be tax implications.
- **There can be delays in benefit payment.** Insurers will pay the benefit to your fund's Trustee, who will then distribute onto you or your beneficiaries.
- **Consider your beneficiaries.** If you do not make a binding beneficiary nomination, or your fund does not offer binding nominations, the super trustee will decide who receives your benefits when you die. Usually benefits are paid to dependents, after taking your wishes into consideration.

How GRM Advice can help

Your GRM Advice can help you understand all the pros and cons of insuring through super and help you build a solution that works for you.



INSURANCE THROUGH SUPER ACCESSING THE BENEFITS

How can TAL help you access the benefits of insurance through super?

Avoid complexities with SuperLink TPD

Through TAL's Accelerated Protection, you can access SuperLink TPD, a simple and tax effective solution which provides the security of an 'own occupation' definition.

SuperLink TPD removes the need to hold a stand-alone policy outside of super for 'own occupation' TPD. It allows you to hold a single policy which has an 'any' occupation component inside super and an 'own' occupation component outside super. In the event of a claim, your money will be paid to you via the appropriate definition.

Additionally, insurance premiums for the 'any' occupation TPD component are tax deductible to the Fund.

TAL Superannuation and Insurance (TASL) Fund

The TASL Fund is a superannuation product that provides the benefit of insurance through super, without the addition of an accumulation fund.

The TASL Fund also allows you to take advantage of the TAL Super Tax Rebate, by passing onto you the 15% tax deduction claimed by the Fund for insurance premiums. This applies where the payment method is rollover from day one, so you only need to rollover 85% of the premium from your external superannuation account. TASL pays the remaining 15% for you.

TAL's platform partners

TAL has access to a large number of platform partners which allow you to access TAL's Accelerated Protection Life, TPD and IP products and fund the premiums with your superannuation money.

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