

APSS Rules for providing insured benefits in the Scheme

The Trustee has prescribed the following rules pursuant to Rule 12 of Schedule 1 of the APSS Trust Deed in relation to the provision of insured benefits in the Scheme, specifically:

- Part A: Additional (internally insured) death benefits applicable in respect of Members in the Service of an Employer (which Rules are applicable only to Employee Members); and
- Part B: External insurance arrangements applicable in respect of all Spouse and Rollover Members (which Rules are applicable only to Spouse and Rollover Members).

These Rules are effective on and from the date the Trustee is first authorised to offer a MySuper Product. These Rules may be amended or revoked from time to time by resolution of the Trustee. The amended Rules will apply from 1 July 2020.

Part A: Additional death benefits in respect of Employee Members

1. Definitions

In these Rules:

Additional Death Benefit means the amount as set out under Rule 2 of this Part A.

APSS Beneficiary Account Rules means the 'Rollover Accounts and Account Based Pension Accounts Rules', as made by the Trustee for the purposes of Rule 8 of Schedule 1 of the APSS Trust Deed.

APSS Spouse Account Rules means the 'Rules for the Operation of Spouse Accounts', as made by the Trustee for the purposes of Rule 10 of Schedule 1 of the APSS Trust Deed.

APSS Pension Rules means the 'APSS Pension Rules for pre-retirement members and post 65 employee members', as made by the Trustee for the purposes of Rule 4.5 of Schedule 1 of the APSS Trust Deed.

APSS Trust Deed means the Trust Deed governing the Australia Post Superannuation Scheme.

Beneficiary has the same meaning as that set out in Clause 2 of the APSS Trust Deed. For the avoidance of doubt, this includes Eligible Spouses (as defined in the APSS Spouse Account Rules), and Beneficiaries with Rollover Accounts, Account Based Pensions or Pre-Retirement Pensions (as defined in the APSS Beneficiary Account Rules and APSS Pension Rules, as applicable).

Minimum Additional Death Benefit shall be equal to an amount as set out in the table below, having regard to the Member's age at their date of death:

Exact Age at Date of Death	Minimum Additional Death Benefit \$
Under 20	Nil
From 20 to 34	50,000
From 35 to 39	35,000
From 40 to 44	20,000
From 45 to 49	14,000
From 50 to 55	7,000
56 or more	Nil
-	Nil

Other capitalised terms have the same meaning as in the APSS Trust Deed.

2. Additional Death Benefit

- 2.1 In calculating the death benefit payable, the Additional Death Benefit is determined based on the type of Membership of the Member or Beneficiary at the date of death according to the following table:

Membership Type at Date of Death	Additional Death Benefit
Class A Statutory Benefit Member	Minimum Additional Death Benefit
Class B Statutory Benefit Member	Nil
Full Member less than age sixty	<p>The excess (if any) of the sum of:</p> <ul style="list-style-type: none"> ▪ the greater of the Accrued Retirement Benefit and MRB; and ▪ the Minimum Additional Death Benefit, above the death benefit payable in accordance with Rule 4.2 of Schedule 1 of the APSS Trust Deed. <p>The amount cannot be less than nil.</p>
Full Member age sixty or more	Nil
Members who have opted out in accordance with Rule 2A of Schedule 1 of the APSS Trust Deed	Nil

- 2.2 There is no Additional Death Benefit in respect of Beneficiaries.

3. Death Benefits Payable in accordance with Rule 12 of Schedule 1 of the APSS Trust Deed

- 3.1 On the death of a Member while in Service, and not on leave of absence without pay, the death benefit payable in accordance with Rule 12 of Schedule 1 of the APSS Trust Deed will be the Additional Death Benefit.
- 3.2 For the avoidance of doubt, a Member is considered to be in Service unless the Employer has notified the Trustee that he or she is not in Service. A Member will still be treated as in Service when the Service Fraction provided by his or her Employer is zero unless the Employer has separately notified the Trustee that he or she is not in Service.
- 3.3 On the death of a Member who is on an approved leave of absence without pay, and that death occurred within 12 months from the date of the commencement of such leave, the death benefit payable in accordance with Rule 12 of Schedule 1 of the APSS Trust Deed will be the Additional Death Benefit.
- 3.4 On the death of a Member who is on unapproved leave of absence without pay or approved leave of absence without pay, and that death occurred after 12 months from the

date of the commencement of such approved leave, the death benefit payable in accordance with Rule 12 of Schedule 1 of the APSS Trust Deed will be nil.

4. Death Benefit Provided under these Rules is in addition to Death Benefit payable under Rule 4.2 of Schedule 1 of the APSS Trust Deed

- 4.1 Where death benefits have been paid in accordance with these Rules, death benefits payable to or in respect of the Member as specified under Rule 4.2 of Schedule 1 of the APSS Trust Deed are also paid.

Part B: External insurance arrangements in respect of Spouse and Rollover Members

1. Definitions

In these Rules:

Account Based Pension has the meaning set out in the 'Rollover Accounts and Account Based Pension Accounts Rules', as made by the Trustee for the purposes of Rule 8 of Schedule 1 of the APSS Trust Deed.

APSS Trust Deed means the Trust Deed governing the Australia Post Superannuation Scheme.

Default Death Benefit means, in respect of a Member, the default death benefit payable in respect of the Member under a contract of insurance between the Trustee and an external insurer, provided that the minimum amount of the Default Death Benefit is not less than the minimum death benefit required to be provided under Superannuation Law.

Default Total and Permanent Disablement Benefit means, in respect of a Member, the default total and permanent disablement benefit payable in respect of the Member under a contract of insurance between the Trustee and an external insurer.

Insured Benefit means, in respect of a Member:

- (a) on the death of that Member, the Default Death Benefit or Specified Death Benefit (as applicable and if any); and
- (b) on the Total and Permanent Disablement of that Member, the Default Total and Permanent Disablement Benefit or Specified Total and Permanent Disablement Benefit (as applicable and if any),

in respect of that Member.

Specified Death Benefit means a specified death benefit amount (which may be higher or lower than the Default Death Benefit amount) payable in respect of the Member under a contract of insurance between the Trustee and an external insurer, with such amount being as agreed in writing between the Member and the Trustee in a form approved by the Trustee.

Specified Total and Permanent Disablement Benefit means a specified total and permanent disablement amount (which may be higher or lower than the Default Total and Permanent Disablement Benefit amount) payable in respect of the Member under a contract of insurance between the Trustee and an external insurer, with such amount being as agreed in writing between the Member and the Trustee in a form approved by the Trustee.

Other capitalised terms have the same meaning as in the APSS Trust Deed.

2. Trustee to offer Death and Total and Permanent Disablement Benefits

- 2.1 Subject to these Rules and Superannuation Law, the Trustee must provide a Default Death Benefit and a Default Total and Permanent Disablement Benefit to each Member who holds an account under Rule 8 (other than a Member with an Account Based Pension) or Rule 10 of Schedule 1 of the APSS Trust Deed, provided that
- (a) a Member to whom these Rules apply may elect by notice in writing in a form specified by the Trustee not to receive any Insured Benefit (in which case, for the avoidance of doubt, the Member will receive no Default Death Benefit and no Default Total and Permanent Disablement Benefit under these Rules); and
 - (b) a Member to whom these Rules apply may (subject to these Rules including, but not limited to, Rule 2.3) elect to receive a Specified Death Benefit and / or a Specified Total and Permanent Disablement Benefit instead of a Default Death Benefit and / or a Default Total and Permanent Disablement Benefit.
- 2.2 The Trustee will debit the Member's account to reflect the cost (net of tax) of providing a benefit under these Rules, which may include external insurance premiums and such other amounts as determined by the Trustee to reasonably reflect the cost of providing and administering that benefit.
- 2.3 Without limiting any other provision of these Rules or the APSS Trust Deed, the provision of any Insured Benefit to a Member under these Rules is subject to the following:
- (a) the provision of such Insured Benefit to the Member is subject to the successful completion of the external insurer's underwriting processes (where applicable); and
 - (b) without limiting the generality of paragraph (a), the Trustee or the external insurer may require the Member to undergo such medical examinations and tests as the Trustee or external insurer may require and, if the Member fails to pass any such medical examination or test or the Member results in any such examination or test are not satisfactory for any reason, the Trustee or external insurer may impose terms, conditions or restrictions on the amount, of or conditions of payment, of such Insured Benefit or may refuse to grant such Insured Benefit in relation to the Member.

3. Benefits payable under these Rules

- 3.1 If a Member to whom these Rules apply dies or suffers Total and Permanent Disablement, there shall be payable to or in respect of the Member a lump sum benefit equal to the Member's Insured Benefit (if any). For the avoidance of doubt, the Insured Benefit payable under these Rules shall be in addition to any other benefits otherwise payable to or in respect of the Member under the APSS Trust Deed.
- 3.2 Any Insured Benefit payable under these Rules shall be subject to any adjustment of that amount in accordance with Clause 11.9 of the APSS Trust Deed, and for the avoidance of doubt, to the extent that no Insured Benefit is received from external insurance in respect of a Member (for whatever reason), no Insured Benefit shall be payable under these Rules.