

Significant Event Notice

This is a 'Significant Event Notice' (SEN) for APSS Spouse and Rollover members. If you have questions about this SEN, just email sr@apss.com.au or phone **1300 360 373**.

This is an important update if you're an APSS Spouse or Rollover member. However this update will only immediately affect you if you have:

- **insurance cover through your Rollover or Spouse account; and**
- **an account balance under \$6,000.**

If you hold insurance or are eligible to hold insurance through your Rollover or Spouse account, and you have an account balance over \$6,000, this update does not affect you.

Additionally, if you have already reached age 65, this update is not going to be relevant to you because you are no longer eligible to receive insurance. It also does not affect members who do not currently hold insurance. However, we still have to provide this update to you because it will ultimately represent a change to your Product Disclosure Statement (PDS).

If you need further information or assistance about the information contained in this update, please email sr@apss.com.au or call us on 1300 360 373, Monday to Friday between 9.00am and 5.30pm (Sydney time).

More information regarding the new laws and insurance in superannuation more generally, is also available on ASIC's MoneySmart website which can be accessed at www.moneysmart.gov.au.

New law to impact APSS insurance cover from 1 April 2020 for certain Spouse and Rollover accounts

A new law has been passed, which is relevant to APSS members who are eligible for insurance cover through either a Spouse or Rollover account. But it's only relevant to you if your account balance is less than \$6,000.

It's also relevant to members under 25 years of age who first open their account on or after 1 April 2020.

The new law – the **Treasury Laws Amendment (Putting Members' Interests First) Bill 2019** (PMIF) – was passed on 19 September 2019. It's designed to protect small account balances from being inappropriately eroded by insurance premiums for Death, Total and Permanent Disablement (TPD) and Terminal Illness cover provided to members through their superannuation accounts.

PMIF generally requires the cancellation of insurance cover from 1 April 2020, where:

- **the balance of an APSS Spouse or Rollover account at that date is less than \$6,000; and**
- **the member has not positively elected to maintain his or her insurance, despite their account balance.**

If you are a current Spouse or Rollover member in these circumstances, your insurance cover will be cancelled from 1 April 2020 unless you notify us that you wish to maintain your insurance cover, despite your account balance. See the following page for details on how to keep your insurance cover if this is relevant to you.

Of course, whether or not you are immediately affected by this new law, if you decide insurance is not something you need or want, then you may cancel it immediately. We have also explained how to do this on the next page.

Important things to remember about your insurance cover

Insurance can help you and your loved ones manage the financial impact of death or TPD. However, you also need to consider the effect that insurance premiums have on your superannuation account balance. The insurance premiums for your Death, TPD and Terminal Illness cover provided to you in your account is paid for by you, and is deducted from your account balance each month. Your insurance premiums may be reducing your super account balance inappropriately. If you have life and disability insurance in other super funds, or outside super, you may be paying for additional insurance in the APSS that you don't need. You should consider your personal circumstances and whether insurance is right for you.

How can I keep my insurance cover if I am affected by PMIF?

Affected members who wish to ensure that their insurance cover continues from 1 April 2020 will need to complete the *Confirm my insurance arrangements* form on **apss.com.au** in the 'Print a form' section under the 'Publications & Forms' tab of the main menu.

Members will need to tick the box labelled: 'Keep or commence insurance cover, even if my account balance falls under \$6,000 or I'm under age 25'.

Please note that if you've previously elected to keep your insurance in response to the 'Protecting Your Super' package (PYSP) legislation (because your account was inactive), you do not need to reconfirm if/when you're affected by this new PMIF law.

Once you make an election to keep your insurance, this election will be valid indefinitely unless your account later becomes inactive. An account will generally be considered inactive where no contributions have been received for 16 continuous months. If your account does become inactive, we will write to you and let you know.



How can I cancel my insurance if I don't want it?

If you're affected by PMIF, your insurance will be automatically cancelled from 1 April 2020. If you don't want to keep your insurance and you don't want to wait until it is automatically cancelled on 1 April 2020, then you can cancel your insurance now. This is something you can do even if you're not affected by PMIF and have insurance cover you no longer want to keep. To cancel your existing insurance cover immediately, just complete the *Confirm my insurance arrangements* form referred to above, but make sure that you tick the box labelled: 'Opt out of insurance for my Spouse/Rollover Account'. If you choose to opt out of insurance in this way, then please remember that:

- You (or your beneficiaries) will not be able to make a claim for insurance benefits for events or conditions that arise after your cover has been cancelled (however you will still be covered for past events when your insurance was active); but
- You can reapply to be insured or increase your cover at any time using the Insurer's *Application for insurance* form (available on apss.com.au), provided that you are still eligible and the application is accepted by the Insurer.

Is this what you told me about already in earlier communications?

Although PMIF has some similarities to the earlier PYS legislation, this is a different law with different implications, and therefore it should not be confused with the PYS laws. If you want more information on the PYS legislation please review your 13 September 2019 'Important notices for Spouse and Rollover members' SEN, which can be downloaded at apss.com.au in the 'Significant Event Notices' section under the 'Publications & Forms' tab in the main menu.

Consider your personal circumstances

If you are eligible to have insurance through your APSS Spouse or Rollover account, then, in making decisions about your insurance, you should consider your personal circumstances and you may wish to seek financial advice to help validate your decision. You should also review the Spouse and Rollover Product Disclosure Statement (PDS) titled *Your Member Savings* and the accompanying *Guide to your Member Savings* for detailed information about how your account and insurance works. These documents can be downloaded at apss.com.au in the 'Product disclosure' section under the 'Publications & Forms' tab. Or call 1300 360 373 and we can send you a copy.



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