



16 December 2019

Dear Member

Important changes to insurance premiums

The Federal Government's Protecting Your Super (PYS) reforms came into effect from 1 July 2019. These new rules were introduced to protect your super accounts from unnecessary fees and charges – and one of the major changes relates to insurance.

What are the changes?

From 1 July 2019, we were required to switch off insurance cover in super accounts that had not received a contribution or rollover for 16 months or more. The removal of insurance from these 'inactive' accounts means, like most super funds, we now have less insured members than before.

Given this outcome, most insurers have reviewed and subsequently increased premiums to incorporate the impact of this new legislation. VISSF has been working closely with our partner TAL Life Limited (TAL) to make sure any insurance fee increases are kept to a minimum, while continuing to offer the features and benefits you need.

From 1 February 2020, an increase in premiums will apply to Death, Total & Permanent Disablement (TPD) and Income Protection (IP) as set out below.

	DEATH	TPD	IP
AVERAGE INCREASE	17.3%	17.3%	5.8%

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Trustee: VIS Nominees Pty Ltd | ABN: 11 006 586 367 | AFS Licence: 235097 | RSE Licence: L0000321

While default cover remains the same, the tables below show changes to the cost of that cover.

Default Income Protection - Sum Insured and Cost

Age Last Birthday	Current Weekly Cost of 1 unit of Default cover	New Weekly Cost of 1 unit of Default cover	Default Units	Default Cover per month	New Weekly Cost of Default Cover
15 - 19	\$0.000	\$0.000	0	\$0	\$0.000
20 - 24	\$0.132	\$0.140	4	\$2,000	\$0.560
25 - 29	\$0.141	\$0.149	6	\$3,000	\$0.894
30 - 34	\$0.174	\$0.184	8	\$4,000	\$1.472
35 - 39	\$0.240	\$0.254	8	\$4,000	\$2.032
40 - 44	\$0.388	\$0.410	8	\$4,000	\$3.280
45 - 49	\$0.653	\$0.691	7	\$3,500	\$4.837
50 - 54	\$1.091	\$1.154	5	\$2,500	\$5.770
55 - 59	\$1.752	\$1.853	4	\$2,000	\$7.412
60 - 64	\$1.711	\$1.809	3	\$1,500	\$5.427

Default Death & TPD – Sum Insured & Cost

Age Last Birthday	Default Units	Default Cover	Current Cost of default cover p/w	New Cost of default cover p/w	Default Units	Default Cover	Current Cost of default cover p/w	New Cost of default cover p/w
	Death	Death	Death	Death	TPD	TPD	TPD	TPD
15 - 24	2	\$125,400	\$0.564	\$0.662	4	\$250,800	\$1.296	\$1.520
25 - 29	4	\$250,800	\$1.128	\$1.324	4	\$250,800	\$1.296	\$1.520
30 - 40	6	\$376,200	\$1.692	\$1.986	4	\$250,800	\$1.296	\$1.520
41	6	\$323,100	\$1.692	\$1.986	4	\$215,400	\$1.296	\$1.520
42	6	\$270,300	\$1.692	\$1.986	4	\$180,200	\$1.296	\$1.520
43	6	\$217,200	\$1.692	\$1.986	5	\$181,000	\$1.620	\$1.900
44	6	\$164,400	\$1.692	\$1.986	6	\$164,400	\$1.944	\$2.280
45	6	\$149,100	\$1.692	\$1.986	6	\$149,100	\$1.944	\$2.280
46	6	\$134,400	\$1.692	\$1.986	6	\$134,400	\$1.944	\$2.280
47	6	\$119,100	\$1.692	\$1.986	6	\$119,100	\$1.944	\$2.280
48	6	\$103,800	\$1.692	\$1.986	6	\$103,800	\$1.944	\$2.280
49	6	\$88,800	\$1.692	\$1.986	6	\$88,800	\$1.944	\$2.280
50	6	\$79,800	\$1.692	\$1.986	6	\$79,800	\$1.944	\$2.280
51	6	\$71,100	\$1.692	\$1.986	6	\$71,100	\$1.944	\$2.280
52	6	\$62,100	\$1.692	\$1.986	6	\$62,100	\$1.944	\$2.280
53	6	\$53,100	\$1.692	\$1.986	6	\$53,100	\$1.944	\$2.280
54	6	\$44,400	\$1.692	\$1.986	6	\$44,400	\$1.944	\$2.280
55	6	\$42,000	\$1.692	\$1.986	6	\$42,000	\$1.944	\$2.280
56	6	\$40,200	\$1.692	\$1.986	6	\$40,200	\$1.944	\$2.280
57	6	\$38,100	\$1.692	\$1.986	6	\$38,100	\$1.944	\$2.280
58	6	\$36,000	\$1.692	\$1.986	6	\$36,000	\$1.944	\$2.280
59	6	\$33,900	\$1.692	\$1.986	6	\$33,900	\$1.944	\$2.280
60	6	\$32,100	\$1.692	\$1.986	6	\$32,100	\$1.944	\$2.280
61	6	\$30,000	\$1.692	\$1.986	6	\$30,000	\$1.944	\$2.280
62	6	\$27,600	\$1.692	\$1.986	6	\$27,600	\$1.944	\$2.280
63	6	\$25,800	\$1.692	\$1.986	6	\$25,800	\$1.944	\$2.280
64 - 69	6	\$23,700	\$1.692	\$1.986	6	\$23,700	\$1.944	\$2.280

Where can I see the changes?

You can find out how the 1 February 2020 increases affect weekly costs by accessing the new Default and Voluntary insurance premium tables at www.vissf.com.au/pds-documents. If you would like to compare with your existing cover arrangements, simply log into your Member Online account and click on the Insurance Details tab.

Better outcomes for members

As part of our regular review process, we engaged an external consultant to undertake an independent assessment of TAL's proposed rate increases, which were a direct result of the Government's PYS legislation. After thorough investigation, we were able to renegotiate the insurance arrangements we have with our current partner TAL, ensuring the premium increases were kept to a minimum.

Protecting Your Super changes

The Government's PYS reforms resulted in a few other changes effective from 1 July 2019, including:

- **Cap on fees** – one of the positives to come out of the reforms is a new 3% per annum cap on fees charged within super accounts that have a balance of \$6,000 or less.
- **Exit fees banned** – another benefit of the reforms was the removal of all super fund exit fees across the board.
- **Automatic transfers** – members now face the possibility of their super being transferred to the Australian Taxation Office (ATO) if:
 - their account is continuously inactive for 16 months; or
 - they have a balance of less than \$6,000; or
 - there is no insurance on the account; or
 - they haven't met a condition of release.

These accounts may be considered an inactive low balance account and subject to automatic transfer to the ATO. It will then auto-consolidate the balance into an active account, where the combined balance is greater than \$6,000. If this is not possible, the balance will remain with the ATO until the person claims it.

Our commitment to you

Throughout the review process, our key goal was to keep the premium increases as low as possible while retaining product definitions that are relevant to our members. Given recent market conditions in the insurance industry, we believe the Trustee has achieved a positive outcome for members. As always, you will only pay for what it costs us to provide your cover.

Should you have any questions about the changes to insurance premiums or want to find out your current level of cover, please contact our Client Services Team on 1300 660 027 between 8am and 5pm AEST weekdays.

Kind Regards

A handwritten signature in black ink, appearing to read 'P. Sharples'.

Peter Sharples
Chairman

You should read the information about insurance, including optional insurance cover and costs, eligibility conditions, exclusions and other significant matters, before deciding whether the insurance is appropriate. Go to the Insurance Guide and the Updated Premium Tables effective from 1 February 2020, that are available at www.vissf.com.au/pds-documents. The material relating to insurance may change between the time you read this statement and the day when you acquire the product or change your insurance. The information contained in this notice is general information only and does not take into account your personal financial situation or needs. You should consider obtaining advice that is tailored to suit your personal circumstances.