

Your guide to insurance through super

There can be some financial benefits to having insurance through superannuation, but super can be complex. Make sure to discuss your situation with your financial adviser.

This information sheet explains the options you have and some of the pros and cons of having insurance through super.

The benefits at a glance

Preserve your disposable income

Insurance premiums are paid directly from your super fund so your day-to-day cash flow isn't affected.

Access tax concessions

In some cases, tax deductions can be claimed on super contributions to fund your premiums. By salary sacrificing or making personal contributions for your premiums, you may be eligible for tax deductions.

Pay premiums with your pre-tax earnings

Employer super contributions are paid with pre-tax dollars, so premiums paid from your super fund can become a more tax effective solution.



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Ways to access insurance through super

Via your employer's super fund

If you're an employee, you'll likely have some Life and TPD cover through your super fund. Speak to your financial adviser to review your insurance needs.

Via a self managed super fund (SMSF)

SMSFs differ from other types of super fund in that, generally, you're both the trustee and a member of the fund. The Superannuation Industry Supervision Regulations require that, as the trustee of your SMSF, you must consider the life insurance needs of members (including yourself). Speak with your adviser to see if SMSF is the right option for you.

Via investment and superannuation platform partners

Some companies partner with insurers to offer their customers insurance cover.

Your options with TAL

SuperLink TPD

A simple solution available through TAL's Accelerated Protection. SuperLink TPD allows you to hold TPD cover with an 'Any Occupation' component inside super and an 'Own Occupation' component outside super. In the event of a claim, you'll be paid via the appropriate definition.

TAL Super

TAL Super provides the benefits of insurance through super, without an accumulation account. Insurance cover paid annually through TAL Super will get a 15% rebate if funded by TAL Superpay rollover option.

TAL's platform partners

Our platform partners allow you to access Accelerated Protection and pay the premiums via your account with the platform. Your adviser can talk you through your options and explain more about our platform partners.

Some things to consider

- The type and amount of cover you need. Cover options through super can be limited, so make sure you discuss whether it is right for you with your adviser
- Where your super is. If you have more than one fund, you might also be paying for more than one insurance policy. There are lots of online tools available to help you track your super and your adviser can help consolidate your funds if this is the right thing for you do
- Tax implications when holding insurance inside super. Not all benefits are tax-free: depending on the type of cover, who receives them and when they are paid, there maybe tax implications
- Benefit payment timeframes. Insurers pay benefits to the super fund's trustee, before they're distributed to you or your beneficiaries: it's an extra step in the process, which could take a little more time
- Your beneficiary nominations. If you don't make a binding beneficiary nomination or your fund doesn't offer them, the trustee will decide who receives the benefits when you pass away. Benefits are usually paid to dependants, after taking your wishes into consideration
- You should consider with your adviser the impact on your superannuation balance and contribution caps by paying your premiums this way. They may be able to provide strategies for reducing the impact on your retirement savings
- If you structure Accelerated Protection through superannuation, the cost of premiums paid may gradually reduce your superannuation over time, leading to a lower balance at retirement. Accordingly, both your retirement needs and insurance protection objectives should be kept in mind when structuring your insurance through superannuation.

FOR MORE INFORMATION:



Talk to your financial adviser



Email us at customerservice@tal.com.au



Call TAL on 1300 209 088
(Monday to Friday, 8am–7pm AEST)



Visit tal.com.au

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