

As I'm sure you're aware, your membership of REI Super gives you access to death, disablement and salary continuance insurance at very competitive rates that, in most cases, would not be available to individuals on the open market.

Fees for your insurance cover are deducted from your REI Super account.

The purpose of this letter is to update you on some changes that are due to be made to your insurance fees and to the insurance terms and conditions. These changes will take effect on 1 July 2015.

You don't need to do anything as a result of these changes, but this may nevertheless be an opportune time for you to review your level of death, TPD and salary continuance insurance to ensure you have the amount of cover you need. It is important that you have the right amount of insurance cover to protect you, your family and your lifestyle.

## Background to the changes

REI Super is an industry fund, which means the fees we charge are used for the efficient management of the Fund, rather than to make profits for shareholders, or pay dividends to them.

Insurance premiums have risen significantly in the last two or three years as a result of, amongst a number of reasons, heavier than anticipated levels of insurance claims across the industry. Regrettably, we now need to pass on some increases to members. To keep the increases to a minimum, we have also changed some of the terms and conditions surrounding the insurance cover provided. In doing this, we have attempted to be as fair as possible to all new and existing members by treating them as equally as possible, including maintaining existing insured levels of cover for all current members.

## Insurance fee increases

From 1 July 2015, insurance fees for new and existing members will be changing as follows.

**Please be assured that the sum you are insured for with each unit of cover will not change.**

### Members who have unit-based cover for Death and Total and Permanent Disablement

Age Next Birthday	Current Insurance Fee per unit per week		Insurance fee per unit per week Effective 1 July 2015	
	Death & TPD	Death only	Death & TPD	Death only
15-64	\$1.00	\$0.75	\$1.50	\$0.75 (no change)

### Members who have fixed cover for Death and Total & Permanent Disablement

The insurance fee for each age has increased in line with the table provided in the attachment to this letter.

**More overleaf**

## Salary Continuance Insurance

The insurance fee for each age has increased in line with the table provided in the attachment to this letter.

## Changed Terms and Conditions effective 1 July 2015

To minimise the premium increase to members we have made the following changes to some of our insurance Terms and Conditions.

- › A revised Total and Permanent Disablement (TPD) definition will be introduced. The full revised version of the definition can be found on the attached pages.
- › The two additional units of cover previously available to new members upon joining, and the Life Events benefit option will be removed for new members upon joining.
- › The ability for a member to reinstate their insurance will cease and full underwriting will be required to reapply.
- › There will be a reduction in the amount of cover that a member can transfer to REI Super from another regulated super fund. For Death and TPD cover, this will reduce to a maximum of 15 units/\$750,000. For Salary Continuance Insurance the amount that can be transferred from another fund will reduce to a maximum of 16 units.
- › No benefit will be payable where payment of that benefit would expose Metlife Australia (Rei Super's appointed insurer), the Policy Owner (the trustee of Rei Super), or the Covered Person (you) to any sanction, prohibition or restriction under United Nations resolutions, or the trade or economic sanctions, laws or regulations of the European Union, Australia or United States of America.

## Now is a good time to check that you have enough cover

Now is a great time to consider the level of cover that is necessary for you and your family.

- ✔ To check your current level of cover, login to your account at [reisuper.com.au](https://reisuper.com.au) and navigate to the Insurance tab.
- ✔ To calculate the level of insurance you require, go to our **Insurance Needs Calculator** which is available on our website at [reisuper.com.au/checkmycover](https://reisuper.com.au/checkmycover)
- ✔ Once you know your required level of insurance cover, use our **Quick Quote Calculator** at [reisuper.com.au/quotemycover](https://reisuper.com.au/quotemycover) to calculate the cost of your cover. (Please note that the fees the calculator uses for the quote will be the new fees, which come into effect on 1 July 2015).

Information about our insurance and links to relevant publications and calculators can all be found at [reisuper.com.au/insurance](https://reisuper.com.au/insurance)

The next step is to apply for the additional cover online, simply by logging into your online account at [reisuper.com.au](https://reisuper.com.au) and navigating to the Insurance tab.

## As always, if you need assistance, we're here to help

We're committed to providing you with excellent service. If you have any queries, or need further information, please call us on **1300 13 44 33**, or internationally on **+61 3 8687 1834** 8.30am to 7.00pm (EST) Monday to Friday (except for public holidays), or email us at [admin@reisuper.com.au](mailto:admin@reisuper.com.au).

Yours sincerely,



Mal Smith  
Chief Executive Officer

# ATTACHMENT

## New TPD definition

**Total and Permanent Disablement (TPD)** means the Covered Person meets Definition A or Definition B. Which definition applies to a Covered Person who claims for TPD is determined as follows:

- (i) Definition A applies to a Covered Person if they were Employed in Permanent Employment for at least the Minimum Hours at any time within the last twelve months before the Date of Disablement.
- (ii) Definition B applies to a Covered Person if they were either not Employed in Permanent Employment, or were Employed in Permanent Employment for less than the Minimum Hours, within the last twelve months before the Date of Disablement.

## Definition A

The Covered Person, solely due to Illness or Injury, has been unable to work for six consecutive months commencing from the Date of Disablement and due to that same Illness or Injury also satisfies the following:

- a. has continued to remain absent from all work since the Date of Disablement,
- b. is under Regular and Ongoing Care; and
- c. we determine that:
  - (i) as at the Date of Disablement,
  - (ii) for the following six consecutive months; and
  - (iii) continuously since then

that the Covered Person is unable to ever engage in or work in any occupation or work for which he or she is or may become reasonably suited by education, training or experience. In determining this, we will consider all relevant circumstances and factors including, but not limited to:

- › What re-skilling, retraining and rehabilitation he or she has done,
- › Any volunteering experience he or she has,
- › Any future re-skilling, retraining or rehabilitation that the Covered Person could reasonably undertake; and
- › Any volunteer experience he or she could reasonably obtain.

## Definition B

The Covered Person satisfies (i), (ii) and (iii) below:

- (i) As a result of Injury or Illness, the Covered Person has become permanently unable to perform the basic activities normally undertaken as part of everyday life. This will be determined by us being satisfied that the Covered Person is permanently and irreversibly unable to perform without the assistance of another person any two (2) of the following activities:
  - › Bathing – to wash in the bath or shower (including getting into and out of the bath or shower) or wash satisfactorily by other means
  - › Dressing – to put on, take off all garments and if needed any braces, artificial limbs or other medical apparatus
  - › Feeding – the ability to feed him or herself when food has been prepared and made available
  - › Mobility – to get out of a bed and into an upright chair or a wheelchair and back again
  - › Maintain Personal Hygiene – the ability to maintain a satisfactory level of personal hygiene by using the toilet or otherwise managing bladder and bowel function.

If the Covered Person can perform the activity by using special equipment they will be considered able to undertake that activity

- (ii) The Covered Person is under Regular and Ongoing Care
- (iii) The Covered Person has provided proof to our satisfaction that, as a result of the same Injury or Illness, they have become incapacitated to such an extent as to render them unlikely ever to engage in or work, in any occupation or work for which they are reasonably suited by education, training or experience. In determining this, we will consider all relevant circumstances and factors including, but not limited to:
  - › What re-skilling, retraining and rehabilitation he or she has done,
  - › Any volunteering experience he or she has,
  - › Any future reskilling, retraining or rehabilitation that the Covered Person could reasonably undertake; and
  - › Any volunteer experience he or she could reasonably obtain.

## Insurance fees for members with fixed cover: current and from 1 July 2015

Age-based fees per \$1,000 sum insured per annum				
Age	Death only		Death & TPD	
	Current fee	Fee from 1 July 2015	Current fee	Fee from 1 July 2015
15	0.28	0.38	0.50	0.75
16	0.28	0.38	0.50	0.75
17	0.28	0.38	0.50	0.75
18	0.28	0.38	0.50	0.75
19	0.28	0.38	0.50	0.75
20	0.28	0.38	0.50	0.75
21	0.28	0.38	0.50	0.75
22	0.28	0.38	0.50	0.75
23	0.28	0.38	0.50	0.75
24	0.28	0.38	0.50	0.75
25	0.28	0.38	0.50	0.75
26	0.28	0.38	0.50	0.75
27	0.28	0.38	0.50	0.75
28	0.28	0.38	0.50	0.75
29	0.28	0.38	0.50	0.75
30	0.28	0.38	0.50	0.75
31	0.28	0.38	0.50	0.75
32	0.28	0.38	0.50	0.75
33	0.28	0.38	0.50	0.75
34	0.28	0.38	0.50	0.75
35	0.28	0.38	0.50	0.75
36	0.29	0.39	0.52	0.78
37	0.30	0.41	0.55	0.83
38	0.32	0.43	0.55	0.83
39	0.34	0.47	0.62	0.93
40	0.36	0.49	0.66	1.00
41	0.38	0.52	0.69	1.04
42	0.40	0.55	0.73	1.09
43	0.43	0.58	0.78	1.18
44	0.45	0.61	0.83	1.25
45	0.48	0.66	0.88	1.32
46	0.52	0.71	0.95	1.43
47	0.56	0.76	1.02	1.54
48	0.61	0.84	1.11	1.66
49	0.67	0.91	1.21	1.81
50	0.73	1.00	1.33	1.99
51	0.82	1.12	1.49	2.24
52	0.92	1.25	1.68	2.52
53	1.06	1.45	1.93	2.89
54	1.24	1.69	2.26	3.39
55	1.43	1.95	2.60	3.90
56	1.68	2.29	3.06	4.60
57	2.04	2.79	3.71	5.57
58	2.38	3.25	4.33	6.50
59	3.18	4.34	5.78	8.68
60	4.09	5.58	7.43	11.15
61	5.72	7.81	10.40	15.61
62	7.15	9.76	13.00	19.51
63	11.44	15.60	20.80	31.22
64	28.60	39.03	52.00	78.05

## Salary Continuance insurance fees: current and from 1 July 2015

Fee per annum (per unit of \$5,200 annual sum insured) for 2 years' cover.

(Note that 60-day and 30-day waiting periods are only available to REI Super Elite members)

Age next birthday	90-day waiting period Current fee (\$)	90-day waiting period Fee from 1 July 2015 (\$)	60-day waiting period Current fee (\$)	60-day waiting period Fee from 1 July 2015 (\$)	30-day waiting period Current fee (\$)	30-day waiting period Fee from 1 July 2015 (\$)
16	7.01	7.43	11.28	11.95	16.75	17.74
17	7.09	7.51	11.55	12.24	17.23	18.25
18	7.36	7.80	11.95	12.66	17.77	18.82
19	7.50	7.94	12.17	12.89	18.04	19.11
20	7.50	7.94	12.26	12.99	18.30	19.39
21	7.85	8.32	12.79	13.55	19.09	20.22
22	7.39	7.83	12.47	13.21	18.77	19.88
23	7.12	7.54	12.37	13.10	18.80	19.92
24	6.94	7.35	12.23	12.96	18.75	19.86
25	6.80	7.20	12.17	12.89	18.73	19.84
26	6.56	6.95	12.12	12.84	18.77	19.88
27	6.56	6.95	12.33	13.06	19.24	20.38
28	6.73	7.13	12.72	13.47	19.81	20.99
29	6.81	7.21	13.02	13.79	20.42	21.63
30	6.85	7.26	13.51	14.31	21.29	22.55
31	7.07	7.49	14.03	14.86	22.26	23.58
32	7.21	7.64	14.56	15.42	23.18	24.56
33	7.56	8.01	15.31	16.22	24.42	25.87
34	7.83	8.29	16.06	17.01	25.74	27.27
35	8.01	8.49	16.77	17.76	27.02	28.62
36	8.54	9.05	17.79	18.85	28.47	30.16
37	8.94	9.47	18.76	19.87	30.15	31.94
38	9.74	10.32	20.00	21.19	32.00	33.90
39	10.41	11.03	21.19	22.45	33.77	35.77
40	11.29	11.96	22.61	23.95	35.89	38.02
41	12.31	13.04	24.07	25.50	38.01	40.26
42	13.55	14.35	25.75	27.28	40.35	42.74
43	14.97	15.86	27.56	29.19	42.82	45.36
44	16.43	17.40	29.51	31.26	45.48	48.18
45	18.34	19.43	31.77	33.65	48.36	51.23
46	20.03	21.22	33.98	36.00	51.45	54.50
47	22.07	23.38	36.51	38.68	54.68	57.92
48	24.43	25.88	39.26	41.59	58.22	61.67
49	27.05	28.65	42.10	44.60	61.81	65.48
50	29.73	31.49	45.30	47.99	66.06	69.98
51	32.85	34.80	48.81	51.71	70.50	74.68
52	36.11	38.25	52.63	55.75	75.33	79.80
53	39.78	42.14	56.77	60.14	80.51	85.29
54	43.67	46.26	61.22	64.85	86.23	91.35
55	48.07	50.92	66.30	70.23	92.62	98.11
56	52.78	55.91	71.69	75.94	99.59	105.50
57	57.86	61.29	77.71	82.32	107.45	113.82
58	63.31	67.07	84.25	89.23	115.88	122.75
59	69.17	73.27	91.55	96.98	125.56	133.01
60	75.63	80.12	99.55	105.46	136.30	144.39
61	83.48	88.43	109.32	115.81	149.39	158.25
62	91.98	97.44	120.36	127.50	164.26	174.00
63	101.91	107.96	132.94	140.83	181.40	192.16
64	87.41	92.60	121.61	128.82	170.83	180.96
65	31.62	33.50	59.89	63.44	93.84	99.41

## Other Changes Effective 1 July 2015

REI Super actively manages each investment option's asset mix to maximise the Fund's access to opportunities while minimising risks for our members. We do this within agreed long-term asset allocation ranges for each of our investment options.

Our recent review of the strategic asset allocations for each of our investment options has resulted in the new asset mixes as outlined below for the Stable option, Premium Income option, Trustee Super Balanced option and Growth option.

Asset class	Super Growth		Trustee Super Balanced		Super Stable		Premium Income	
	Current	New	Current	New	Current	New	Current	New
Australian Shares	44%	30%	32%	19%	14%	10%	0%	6%
International Shares	32%	45%	24%	32%	10%	13%	5%	4%
Australian Listed Property	9%	8%	8%	8%	3%	4%	5%	8%
International Listed Property (Hedged)	3%	3%	2%	2%	1%	0%	0%	3%
Unlisted Property	3%	3%	4%	4%	0%	0%	0%	0%
Global Infrastructure	3%	4%	3%	4%	2%	3%	5%	6%
Australian Bonds	0%	0%	8%	10%	16%	22%	25%	25%
International Bonds	0%	0%	6%	6%	14%	10%	10%	12%
Global Inflation Linked Bonds	0%	0%	2%	3%	6%	6%	5%	6%
Alternatives	5%	6%	6%	7%	6%	6%	0%	0%
Cash	1%	1%	5%	5%	28%	26%	45%	30%
Total	100%	100%	100%	100%	100%	100%	100%	100%

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Our recent review of the strategic asset allocations for each of our investment options has resulted in the new asset mixes as outlined below for the Stable option, Premium Income option, Trustee Super Balanced option and Growth option.

## Investment & Performance Fees

Investment option	Current			New		
	Investment management fee	Performance Fee	Total Investment Fee	Investment management fee	Performance Fee	Total Investment Fee
Super Growth	0.44%	0.07%	0.51%	0.47%	0.07%	0.54%
Trustee Super Balanced	0.33%	0.05%	0.38%	0.35%	0.05%	0.40%
Super Stable	0.29%	0.03%	0.32%	0.27%	0.03%	0.30%
Premium Income	0.16%		0.16%	0.24%	0.01%	0.25%
Super Cash	0.13%		0.13%	0.13%		0.13%
Australian Shares	0.41%	0.05%	0.46%	0.42%	0.05%	0.47%
International Shares	0.54%	0.05%	0.59%	0.13%		0.13%
Australian Property	0.13%		0.13%	0.13%		0.13%
Global Property	0.48%		0.48%	0.44%		0.44%
Bonds	0.27%		0.27%	0.31%		0.31%

## Buy/Sell Spreads\*

Investment option	Current		New	
	Buy	Sell	Buy	Sell
Super Growth	0.25%	0.25%	0.21%	0.21%
Trustee Super Balanced	0.20%	0.20%	0.17%	0.17%
Super Stable	0.11%	0.11%	0.12%	0.12%
Premium Income	0.05%	0.05%	0.10%	0.10%
Super Cash	0.00%	0.00%	0.00%	0.00%
Australian Shares	0.30%	0.30%	0.15%	0.15%
International Shares	0.25%	0.25%	0.16%	0.16%
Australian Property	0.20%	0.20%	0.20%	0.20%
Global Property	0.35%	0.35%	0.15%	0.15%
Bonds	0.00%	0.00%	0.10%	0.10%

### \*What is a buy-sell spread?

A buy-sell spread is a fee to recover transaction costs incurred by the trustee of a superannuation fund in relation to the sale and purchase of its assets.

When a contribution is received or a benefit is paid, it is used to purchase or sell units in your investment option(s). For some investment options, the entry price for the issue of units may be different from the exit price for the redemption of those units. The difference between the entry and exit price represents an allowance for transaction and operational costs, and is commonly referred to as the 'Buy/Sell spread'. This Buy/Sell spread is usually paid to the external investment managers of a fund's investments and simply reflects the costs associated with the investment transaction(s) made.

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