

Update for members

This document outlines some changes to your Salary Continuance (Income Protection) Insurance that will take effect on 1 July 2016. We recommend you read this notice together with the Product Disclosure Statement dated 1 July 2015.

Background

On 1 October 2013, the Fund redesigned its Salary Continuance (Income Protection) Insurance and moved to a more sustainable arrangement, by calculating premiums using

an age-based scale instead of a unit-based scale, which is independent of a member's age.

| Prior to 1 October 2013 | From 1 October 2013 |
|---|---|
| <p>All members with Salary Continuance (Income Protection) Insurance were charged premiums on a unit-based scale, as below:</p> <ul style="list-style-type: none"> ➤ \$13 per annum (90-day waiting period); or ➤ \$30 per annum (60-day waiting period); or ➤ \$36 per annum (30-day waiting period). <p>Each unit provided an annual benefit amount of \$5,200 (i.e. \$100 per week) and the premiums did not increase with age.</p> | <p>All new members applying for Salary Continuance (Income Protection) Insurance have been charged premiums based on the age-based scale.</p> <p>This means that as a member gets older, the premium per unit of cover increases in line with the increase in risk (see attached premium table).</p> <p>Each unit still provides an annual benefit amount of \$5,200 (i.e. \$100 per week).</p> |

As noted above, all members taking out Salary Continuance (Income Protection) Insurance from that date have had the new premium tables applied. The REI Super Trustee recognised that these changes would impact members

differently and therefore maintained the prior arrangements for existing members until 30 June 2016. That is, a group of members like yourself continued to be charged premiums based on the unit-based rate table.

Changes from 1 July 2016

This notice is to advise you that, from 1 July 2016, REI Super will transition your Salary Continuance (Income Protection) Insurance premiums to the age-based rate table. These age-based rates will see an increase in some members' annual premiums, while some members will also receive a premium reduction.

Below is an example of how the new premiums rates will apply. The following premiums (effective from 1 July 2016) apply for a member aged 47 (whose age next birthday is 48), and who has \$52,000 per year of Salary Continuance (Income Protection) Insurance (10 units at \$5,200 per year), with a 90 day waiting period.

| Current premium | New premium from 1 July 2016 |
|--|---|
| \$13 per year per unit (\$5,200) of annual benefit is \$13 x 10 units = \$130 per year (\$2.50 per week) | \$25.88 per year per unit (\$5,200) of annual benefit is \$25.88 x 10 units = \$258.80 per year (\$4.98 per week) |

You can use the table on the following page to calculate the premiums that will apply to your current level of cover.

Fee rebate

As an incentive to encourage our members to consolidate their superannuation accounts, the Trustee is introducing a new fee rebate that will apply to all members from 1 July 2016. If your total account balance is over \$300,000, you will receive a rebate of 0.28% on the amount of your account balance over the \$300,000.

The fee rebate will be calculated based on your account balance with REI Super, and applied proportionally if you are invested in a number of the Fund's investment options.

The rebate will apply as follows:

| Account balance | Fee rebate (p.a.) |
|-----------------------|-------------------|
| First \$300,000 | NIL |
| Amount over \$300,000 | 0.28% |

It will be credited to your account balance at the end of each month while you are a member of REI Super.

Talk to us for advice on the right level of insurance cover for you

REI Super's Salary Continuance (Income Protection) Insurance represents an excellent cost-effective method of providing protection for you.

This might be an appropriate time to review your cover arrangements, such as the level of cover and waiting period, as your circumstances may have changed since you originally applied for cover.

Getting the right advice at the right time can make a big difference in making sure you and your family have protection against life's challenges and that you can meet financial commitments now and in the future.

As an REI Super member, you have access to high quality and low-cost advice as part of your membership.

Our advice includes:

- Understanding your insurance needs
- Tailoring your insurance cover
- Purchasing Salary Continuance (Income Protection) Insurance
- Changing or increasing your level of cover
- Understanding unit pricing and insurance costs

You can access our financial advice service in three different ways:

- Over the phone - simply call us on 1300 13 44 33 during business hours
- Live video advice
- In person in a face-to-face meeting

What does Salary Continuance (Income Protection) Insurance cost?

The table below shows the annual premium for one unit of cover. Each unit of cover provides a benefit of \$5,200 per annum (before tax), and is payable for up to two years.

| Age Next Birthday | Waiting period (days) | | |
|-------------------|-----------------------|---------|--------|
| | 30 | 60 | 90 |
| 16 | \$17.74 | \$11.95 | \$7.43 |
| 17 | \$18.25 | \$12.24 | \$7.51 |
| 18 | \$18.82 | \$12.66 | \$7.80 |
| 19 | \$19.11 | \$12.89 | \$7.94 |
| 20 | \$19.39 | \$12.99 | \$7.94 |
| 21 | \$20.22 | \$13.55 | \$8.32 |
| 22 | \$19.88 | \$13.21 | \$7.83 |
| 23 | \$19.92 | \$13.10 | \$7.54 |
| 24 | \$19.86 | \$12.96 | \$7.35 |
| 25 | \$19.84 | \$12.89 | \$7.20 |
| 26 | \$19.88 | \$12.84 | \$6.95 |
| 27 | \$20.38 | \$13.06 | \$6.95 |
| 28 | \$20.99 | \$13.47 | \$7.13 |
| 29 | \$21.63 | \$13.79 | \$7.21 |
| 30 | \$22.55 | \$14.31 | \$7.26 |
| 31 | \$23.58 | \$14.86 | \$7.49 |
| 32 | \$24.56 | \$15.42 | \$7.64 |

| Age Next Birthday | Waiting period (days) | | |
|-------------------|-----------------------|---------|---------|
| | 30 | 60 | 90 |
| 33 | \$25.87 | \$16.22 | \$8.01 |
| 34 | \$27.27 | \$17.01 | \$8.29 |
| 35 | \$28.62 | \$17.76 | \$8.49 |
| 36 | \$30.16 | \$18.85 | \$9.05 |
| 37 | \$31.94 | \$19.87 | \$9.47 |
| 38 | \$33.90 | \$21.19 | \$10.32 |
| 39 | \$35.77 | \$22.45 | \$11.03 |
| 40 | \$38.02 | \$23.95 | \$11.96 |
| 41 | \$40.26 | \$25.50 | \$13.04 |
| 42 | \$42.74 | \$27.28 | \$14.35 |
| 43 | \$45.36 | \$29.19 | \$15.86 |
| 44 | \$48.18 | \$31.26 | \$17.40 |
| 45 | \$51.23 | \$33.65 | \$19.43 |
| 46 | \$54.50 | \$36.00 | \$21.22 |
| 47 | \$57.92 | \$38.68 | \$23.38 |
| 48 | \$61.67 | \$41.59 | \$25.88 |
| 49 | \$65.48 | \$44.60 | \$28.65 |

| Age Next Birthday | Waiting period (days) | | |
|-------------------|-----------------------|----------|----------|
| | 30 | 60 | 90 |
| 50 | \$69.98 | \$47.99 | \$31.49 |
| 51 | \$74.68 | \$51.71 | \$34.80 |
| 52 | \$79.80 | \$55.75 | \$38.25 |
| 53 | \$85.29 | \$60.14 | \$42.14 |
| 54 | \$91.35 | \$64.85 | \$46.26 |
| 55 | \$98.11 | \$70.23 | \$50.92 |
| 56 | \$105.50 | \$75.94 | \$55.91 |
| 57 | \$113.82 | \$82.32 | \$61.29 |
| 58 | \$122.75 | \$89.23 | \$67.07 |
| 59 | \$133.01 | \$96.98 | \$73.27 |
| 60 | \$144.39 | \$105.46 | \$80.12 |
| 61 | \$158.25 | \$115.81 | \$88.43 |
| 62 | \$174.00 | \$127.50 | \$97.44 |
| 63 | \$192.16 | \$140.83 | \$107.96 |
| 64 | \$180.96 | \$128.82 | \$92.60 |
| 65 | \$99.41 | \$63.44 | \$33.50 |

Please refer to the *Insurance Guide* available at reisuper.com.au for more information.

If you have any questions on your Salary Continuance (Income Protection) Insurance and the premium changes from 1 July 2016, please contact us on 1300 13 44 33.