

SUPERANNUATION &
INSURANCE
BENEFITS & CENTRELINK
SUPPORT FOR PEOPLE LIVING
WITH A BLOOD DISORDER

Berrill & Watson
SUPERANNUATION & INSURANCE LAWYERS

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SUPERANNUATION - WHAT IS IT

- A vehicle for retirement
- Objective is to take the burden off the age pension
- Compulsory for employees to contribute since 1992
- Currently at 10.5%, increasing to 12% to 2025
- MySuper includes:
 - Balanced investments
 - Default death and TPD insurance
 - Optional income protection insurance

WHAT ELSE IS SUPERANNUATION

- A system that can provide reasonably priced:
 - Life insurance (Death)
 - Total and Permanent Disability Insurance (TPD)
 - Income Protection Insurance (IP)
 - Terminal Illness Insurance
- Premiums are deducted from employment contributions. Group Insurance – tens of thousands of members paying premiums, cheaper offerings than individual super policies where there isn't the buying power of a super fund with many members.

DISABILITY BENEFITS

- Account balance
 - the money accumulated in your super fund
 - payable on retirement or “early release”
 - includes permanent incapacity
- TPD Insurance Lump Sum
 - Standard definition – permanently unfit for usual job or other suitable work given your skills and experience.
 - Non-standard – also for work you could be retrained to do or for Activities of Daily Living.
- Monthly Income Protection Insurance
 - Standard definition – unfit for usual job
 - Payable for 2 years (or more) after a waiting period (usually 60 or 90 days)
- Terminal Illness Insurance Lump Sum
 - If likely to die within 2 years
 - Confirmed by a consultant specialist and another doctor

** Super funds offer some/all of the above benefits

DEATH BENEFITS

- Account Balance
- Payable to dependents and/or the deceased's estate
- Dependents
 - Legally married or de facto spouse
 - Children
 - Financial dependents
 - Interdependents
- Binding Nominations
 - If valid Trustees must pay as directed
- Non-binding Nominations
 - Trustees to consider but not bound

OTHER TYPES OF INSURANCE

- Mortgage Protection Insurance
- Credit card
- Stand alone insurance
- Life policy sold by agent
- Income Protection for self-employed
- Group insurance sold through employer/union
- Consumer-credit insurance

EARLY RELEASE OF SUPERANNUATION

- Terminal Illness or Permanent Incapacity (apply to Fund)
 - Two Medical Certificates confirming likely death within 24 months.
- Severe Financial Hardship (apply to Fund)
 - Centrelink letter confirming continuous receipt of benefits for 26 weeks (Q230)
 - Maximum \$10,000 in 12 month period (Minimum \$1,000)
 - Unable to meet reasonable and immediate family living expenses.



EARLY RELEASE OF SUPERANNUATION

(CONT'D)

- Specified Compassionate Grounds (apply to ATO)
 - Medical Treatment or transport
 - Prevent sale of your house
 - Modify home or vehicle for you or a dependent
 - Pay for palliative care
 - Pay for expenses for a dependent's death, funeral or burial
 - Leaving the country permanently
 - \$200 or less in your superannuation account

- First Home Owner Super Saver Scheme

DISABILITY CLAIMS

- Claims Process
 - Check for cover at the relevant date (possibly multiple claims) – N.B: Your Future Your Super legislation
 - Complete claim forms and authorities
 - Provide medical and other evidence
 - Attend medico-legal appointments
 - Make submissions
 - To & fro with fund/administrator – eligibility?
 - Decision



DISABILITY CLAIMS

(CONT'D)

- Complaint
 - Internal complaint
 - Get updated medical evidence
 - Make submissions
 - Complaint decision
 - Appeal
 - Australian Financial Complaints Authority (AFCA)
 - Court
- (NB: time limits apply)

DEATH CLAIMS

- Claims Process
 - Check account balance and insurance (possible multiple claims)
 - Complete claim forms
 - Provide evidence of relationship eg: dependency or interdependency
 - Check for competing claims
 - Make submissions
 - Decision



DEATH CLAIMS

(CONT'D)

- Complaint
 - Internal complaint
 - Provide updated evidence of relationship
 - Make submissions
 - Complaint decision
- Appeal
 - Australian Financial Complaints Authority (AFCA)
 - Court

(NB: time limits apply)

CENTRELINK

- Allowances
 - New Start – Work Search Obligations
 - New Start – Temporary Incapacity Work Search Obligations
 - Carers Allowance
- Disability Support Pension
 - Eligibility
 - Condition diagnosed, fully treated and stabilised
 - Cannot work 15 hours per week for 2 years
 - 20 points on Impairment Tables
 - Completed a Program of Support (unless get 20 points under one table)

CENTRELINK

(CONT'D)

- Exceptions
 - Terminal illness (2 years to live)
 - Blind, nursing home level care, DVA TPI pension, AIDS, IQ less than 70
- Applications, Authorised Review Officer (ARO)/Administrative Appeals Tribunal (AAT) appeals
- DSP Toolkit (NB: strict time limits apply for complaints and appeals)



CENTRELINK DSP IMPAIRMENT TABLES

- Impairment Tables – 15 Tables
- Mild (5 points), Moderate (10 points), Severe (20 points)
- Table 1 Functions requiring Physical Exertion and Stamina
- Table 2 Upper Limb Function
- Table 3 Lower Limb Function
- Table 4 Spinal Function
- Table 5 Mental Health Function
- Table 6 Functioning related to Alcohol, Drug and Other Substance Use
- Table 7 Brain Function
- Table 8 Communication Function
- Table 9 Intellectual Function



CENTRELINK DSP IMPAIRMENT TABLES

(CONT'D)

- Table 10 Digestive and Reproductive Function
 - Table 11 Hearing and other Functions of the Ear
 - Table 12 Visual Functions
 - Table 13 Contenance Function
 - Table 14 Functions of the Skin
 - Table 15 Functions of Consciousness
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- Centrelink & Superannuation Benefits
 - Superannuation/Insurance Centrelink Income Test
 - Superannuation/Insurance Centrelink Assets Test



CENTRELINK INCOME TEST

- Superannuation/Insurance Centrelink Income Test
- If you are entitled to receive income protection insurance payments, they will count towards the Centrelink income test (ie. Jobseeker and DSP)
- Even with this, income protection claims can still be worthwhile - it depends on the amount of the monthly payments and the Centrelink benefits



CENTRELINK ASSETS TEST

- Superannuation/Insurance Centrelink Assets Test
- Superannuation lump sums (account balance or TPD) are exempt from the Centrelink insurance assets test
- Insurance TPD lump sums outside of superannuation do count towards the test (eg. Jobseeker & DSP)
- Be aware that Centrelink may apply a lump sum to the assets test and try to reduce your Centrelink payments.

HELP!

- Contact Berrill & Watson for free advice and help with any claims
- Telephone - (03) 9448 8048
- Email – info@berrillwatson.com.au
- DSP Toolkit – www.ssrv.org.au