



PROTECT SUPER PLAN

Product Disclosure Statement

Issue date: 28 October 2022

For Encompass Protection

Encompass
PROTECTION



This Product Disclosure Statement (Super PDS) contains important information about the Protect Super Plan (the Plan) and acquiring life insurance through the Plan. The Plan is a life insurance only division of the OneSuper Plan ABN 43 905 581 638 RSE R1001341 (the Fund). The Trustee is Diversa Trustees Limited ABN 49 006 421 638 AFSL 235153 RSE L0000635 (Trustee). Throughout this Super PDS, the Trustee may also be referred to as 'we', 'our' or 'us'.

You should read this Super PDS in conjunction with the Encompass Protection Product Disclosure Statement and Policy Document (PDS) which contains detailed information about the benefits, options, conditions and limitations of the insurance referenced in this Super PDS. The insurance referred to in the Encompass Protection PDS is issued by MLC Limited ABN 90 000 000 402 AFSL 230694 (the Insurer), as supplemented or replaced from time to time. MLC Limited use the MLC brand under licence. MLC Limited is part of the Nippon Life Insurance Group. The Encompass Protection PDS may be obtained from the Trustee or the Insurer on request, at no charge, or from your financial adviser. The Trustee is not responsible for the content of the Encompass Protection PDS.

The Plan provides members with access to life insurance through superannuation. Rollovers made to the Plan are only used for the purposes of paying insurance premiums. Members do not have an accumulation account balance in the Plan and therefore there is no investment component. The Trustee has delegated administration of the Plan, excluding the administration of claims, to Australian Life Development Pty Ltd ABN 96 617 129 914 AFSL 502759, trading as NEOS Life (NEOS, the Administrator).

NEOS is also the promotor of the Plan and administrator and promoter of the Encompass Protection product, excluding the administration of claims. The Insurer is the issuer of the life insurance product offered through the Plan and is responsible for Encompass Protection, the administration of claims, and the insurance claim payments to be made under Encompass Protection. The Insurer is not responsible for the Plan and does not issue, underwrite, or guarantee the superannuation interests described in this Super PDS. Diversa, as the Trustee of the Plan, is responsible for the superannuation interest described in this Super PDS.

Warning: The information in this Super PDS only provides a brief summary of the insurance offering. Full information about eligibility, cancellation, any conditions or exclusions, the level, type, actual cost (or ranges of costs) of insurance cover, or any other matter in relation to insurance cover, is provided in the Encompass Protection PDS. That information should be read before deciding whether to join the Plan.

Further information about the insurance cover you can apply for under this Super PDS is in the separate Encompass Protection PDS issued by the Insurer.

Applications to the Trustee for membership of the Plan must be made along with an application for insurance cover. The application for membership of the Plan and application for insurance cover can be submitted by the financial adviser acting on your behalf. You should consider both this Super PDS and the Encompass Protection PDS issued by the Insurer, before completing the application for membership of the Plan and any application for insurance cover. You agree that any instruction or authority that you give the Trustee is a valid instruction or authority to any successor trustee of the Plan, and any trustee of a successor fund of the Plan.

The information contained in this Super PDS is general information only. Your objectives, financial situation or needs have not been taken into account. You should consider the appropriateness of the information in this Super PDS, taking into account your objectives, financial situation and needs, before acting on any information in this Super PDS. Information about tax provided in this Super PDS is a guide only and is based on our understanding of the tax laws current at the date of this Super PDS. These laws can change, so you should speak to your tax adviser regarding the tax consequences of holding insurance cover inside superannuation.

References to superannuation law in this Super PDS include the *Superannuation Industry (Supervision) Act 1993* (Cth) and associated regulations as amended from time to time. All of the information contained in this Super PDS is current at the time of preparation of this Super PDS. Information contained in this Super PDS can change from time to time. If the change is to information that's not materially adverse information, the updated information will be available at www.encompassprotect.com.au and www.diversa.com.au.

A paper copy of any updated information will be given, or an electronic copy will be made available to you, on request, without charge by contacting the Administrator (see the contact details on page 16).



Contents

Contents

About the Plan	6	Trustee privacy statement	15
The insurance cover available	6	Access to your personal information	16
Applying for insurance cover	8	Supporting identification documents	16
Fees and costs	8	Who to contact	16
The cost of insurance – premiums and premium deductions	8	General enquiries	16
Other fees and costs	8	Claims	16
Paying for insurance inside superannuation	9	What to do if you have a complaint	17
Paying premiums by rollover from another superannuation fund	9		
Non-payment of premiums	9		
Cancelling or varying your insurance cover inside superannuation	10		
Cooling-off period	10		
Varying your insurance cover	10		
Cessation of cover (and membership)	10		
Refunds	10		
Benefit payments and tax	11		
Conditions of release	11		
Preservation age	12		
Lump sum benefits	12		
Income protection benefits	12		
Death benefit nominations	13		
Binding nominations	13		
Definition of a dependent	13		
Definition of a legal personal representative	13		
Risks of holding insurance inside superannuation	14		
Your financial adviser and how to apply	14		
Tax file number collection	15		

ABOUT THE PLAN

The Protect Super Plan (the Plan) is a division of the OneSuper Plan (the Fund) that provides members with access to death and disablement insurance cover inside superannuation. It doesn't provide accumulation style superannuation account balances or investment returns to members.

When you apply for insurance in superannuation you become a member of the Plan, and the insurance cover is purchased through the Plan. You'll be the person covered by the insurance however the insurance is issued to the Trustee, and we hold it on your behalf.

Within this Super PDS, 'you' means the person who will become the insured person (since the owner of the policy will be the Trustee) as a member of the Plan.

This Super PDS provides important information that will help you understand the types of insurance benefits available inside the Plan and the tax treatment that may apply, your options for meeting the costs of the insurance, and the potential risks of holding insurance inside the Plan. However, you should also refer to the Encompass Protection PDS for information about the insurance benefits available inside the Plan.

The key documents associated with your membership in the Plan and your insurance are outlined below:

Document	What is it?
Super PDS	This document, which sets out information you need to know about membership of the Plan.
Encompass Protection PDS	The PDS which sets out the information you need to know about the insurance cover available.
Policy Schedule	The document which outlines the types of insurance, the amount of the insurance and premium that applies to you.
Member Benefit Statement	A document which summarises all transaction details for the financial year, as well as providing information about any material changes.

It's important to note that the Plan operates as follows:

- ▶ The Trustee accepts rollovers from other superannuation funds to pay the premiums for insurance policies held inside the Plan, subject to the terms and conditions summarised in this Super PDS. The Plan doesn't offer a superannuation savings or investments facility.
- ▶ The Trustee expects to be able to claim a tax deduction for the insurance premium it pays and, subject to its absolute discretion, it may pass this benefit on to you by reducing the amount required to pay insurance premiums.
- ▶ An insurance benefit will only be payable from the Plan if the Insurer pays a benefit because an insured event happens according to the terms of the relevant Encompass Protection cover type. In this instance, the Trustee will only pay the amount it receives from the Insurer, less any tax that must be withheld. All amounts are paid as superannuation benefits in accordance with superannuation law, including the preservation rules and applicable tax treatment.
- ▶ The Trustee will only accept your application for membership of the Plan, on or after the date of this Super PDS, if your application for insurance is accepted by the Insurer and you have provided the Trustee with your Tax File Number. Other than interim cover that may be provided by the Insurer while your insurance application is being assessed or awaiting payment for the insurance cover, your insurance cover in the Plan only commences once applicable premiums are paid from rollovers received. Membership of the Plan is subject to terms and conditions determined by the Trustee from time to time. Please refer to page 15 for further information about how we use your Tax File Number.

The Plan and Encompass Protection are subject to product design and distribution obligations. You can find information about the target market for these products in the relevant Target Market Determinations (TMDs) available at www.encompassprotect.com.au/TMD.

The insurance cover available

The Plan provides you with access to various types of insurance cover from which you may select, provided you meet relevant eligibility criteria and other terms and conditions relating to the acceptance of cover (for example, entry ages and minimum and maximum sums insured).

The insurance product which provides the cover types available through the Plan is Encompass Protection. The available cover types include:

- ▶ Life Cover – providing cover for death and terminal illness
- ▶ Total and Permanent Disability (TPD) Cover – providing cover for total and permanent disablement; and
- ▶ Income Protection Cover – providing cover for temporary incapacity when you're unable to work to earn an income due to sickness or injury.

The insurance benefits available from the Plan are superannuation benefits pursuant to available insurance cover.

The Insurer is the provider of insurance cover to members of the Plan. If your application for cover is accepted, the Insurer will issue an insurance policy to the Trustee and you'll be the insured person under the policy.

The terms and conditions of the available insurance cover, including definitions, limitations and exclusions, are described in the Encompass Protection PDS which is current at the date of application, as supplemented or replaced from time to time. The amount of cover you select and any special conditions the Insurer applies to your cover, will be set out in a policy schedule which will be sent to you if your application for insurance is accepted.

It's important to note that there are differences between holding insurance cover directly from the Insurer and holding insurance cover inside the Plan. These differences include:

- ▶ When you have insurance cover inside the Plan, the Trustee is the owner of the insurance policy and holds it on your behalf as the insured person. You cannot apply for cover on the life of another person (e.g. spouse) via the Plan.
- ▶ Insurance cover held in the Plan is subject to superannuation law (including preservation rules) which governs the type of insurance benefits that can be provided via a superannuation fund. These rules don't apply to insurance cover obtained directly by you outside of superannuation. This means that not all types of insurance cover described in the Encompass Protection PDS can be held in the Plan. For example, Critical Illness Cover is not available inside the Plan.
- ▶ Not all the insurance features (including definitions), benefits or available options described in the Encompass Protection PDS apply to insurance cover held inside the Plan. For example, TPD Cover held inside the Plan cannot be based on your permanent incapacity to perform your own occupation only.

- ▶ The Encompass Protection PDS explains which insurance benefits are not included, or are subject to additional terms, when insurance cover is held inside superannuation. Benefits not included inside superannuation may be accessed via a second policy owned directly by you through the 'linking' or 'splitting' structures available under Encompass Protection. For more details, please refer to the Encompass Protection PDS.

- ▶ If your Income Protection Cover is held in the Plan, and you are unemployed and become disabled, you may not be entitled to receive payment of a benefit for this cover inside super. However, if this happens, the Insurer has made available Supplementary Income Protection Insurance so that you may be entitled to receive payment of a benefit through separate insurance outside of super. It is important to note that the Supplementary Income Protection insurance is offered directly to members by the Insurer. The Trustee is not involved in the offer or issue of this separate cover and has no responsibility for assisting you with any claim or complaint you might have in relation to it. For more details, please refer to the Encompass Protection PDS.

- ▶ Rollovers to the Plan are used to pay the premiums.
- ▶ The terms and conditions applicable to your insurance cover differ depending on whether you have insurance cover directly under Encompass Protection or you have insurance cover inside the Plan.
- ▶ The Trustee can generally claim a tax deduction for premiums paid to the Insurer in respect of insurance cover, including premiums paid by a rollover. For rollovers, you're not able to claim the premiums as a deduction against your income. Instead, the tax deduction received by the Trustee on premiums paid by rollovers will usually be passed on to you in the form of a reduced premium. Situations where this premium reduction may cease in the future are explained in the section 'Paying premiums by rollover from another superannuation fund' on page 9.
- ▶ If you have a complaint relating to your insurance cover held inside the Plan, it must be dealt with through the Trustee's complaint handling process, not the Insurer's complaints handling process. However, the Insurer will assist with the processing of any complaints relating to a claim, and the Administrator will assist with the processing of any other complaints.

For further information about these differences, refer to the Encompass Protection PDS available from your financial adviser, from www.encompassprotect.com.au or www.diversa.com.au.

Applying for insurance cover

Warning: The information in this Super PDS only provides a brief summary of the insurance offering. Full information about eligibility, cancellation, any conditions or exclusions, the level, type, actual cost (or ranges of costs) of insurance cover, or any other matter in relation to insurance cover, is provided in the Encompass Protection PDS. That information should be read before deciding whether to join the Plan.

While the Trustee has determined that the insurance cover described in the Encompass Protection PDS can be held inside superannuation, this doesn't mean that the Trustee considers that an insurance policy available via the Plan is suitable for your personal situation, objectives or needs, or that the performance of the Insurer or any individual policy is guaranteed. The suitability of insurance cover available to you via the Plan depends on your individual circumstances. The Trustee is unable to provide personal financial advice to you in relation to insurance cover via the Plan.

Before applying for insurance cover inside the Plan, you should carefully read the Encompass Protection PDS which sets out important information including:

- ▶ Eligibility for insurance cover. If you're not eligible for insurance cover, you'll not be able to become a member of the Plan.
- ▶ Your duty to take reasonable care not to make a misrepresentation when completing an application for insurance cover. If you don't adhere to this duty, adjustments to your insurance benefits (including partial and in some cases complete loss of your insurance cover) may occur.
- ▶ The insurance benefits provided, including when cover starts and ends, minimum and maximum sums insured and any applicable payment limits. Interim cover may apply while your application is being processed. If you have multiple types of cover under related policies via the Plan, benefit payments under either of the related policies may reduce the benefits under the other policy.
- ▶ The cost of cover.
- ▶ The terms and conditions of the available benefits, including important definitions.
- ▶ Exclusions and restrictions on the payment of those benefits.

As with any insurance provided to individuals, the Insurer may impose additional conditions, exclusions, restrictions or premium loadings (depending on your personal circumstances) as a condition of the acceptance of cover. If you agree to these additional terms, they'll be set out in a policy schedule, a copy of which will be provided to you.

You should consult with a financial adviser before applying for insurance cover and becoming a member of the Plan. Your adviser can provide you with a Statement of Advice and other disclosure documents relevant to your insurance cover, taking into account your individual objectives, financial situation and needs.

You'll only be entitled to a benefit from the Plan if your claim for an insurance benefit is accepted and paid by the Insurer (because an insured event occurred while you were covered by an Encompass Protection policy) and you've satisfied a condition of release under superannuation law.

Fees and costs

The cost of insurance – premiums and premium deductions

The cost of insurance cover under an Encompass Protection policy is referred to as the premium and is determined by the Insurer.

The premium will include any commission, stamp duty or other amounts, or benefits paid (or payable) to your financial adviser by the Insurer, where applicable. The Trustee deducts amounts from funds you rollover into your Plan account in order to pay the applicable premiums.

The actual cost for your cover will depend on the insurance cover you select, and a range of factors as explained in the Encompass Protection PDS. Your financial adviser can provide you with a quotation that will set out the indicative cost of your insurance cover for the first year of the policy. The Insurer may impose additional costs (loadings), depending on your personal circumstances, as a condition of their acceptance of your insurance cover. You'll be advised of any loadings at the time of application.

The cost of insurance cover may be adjusted for any changes to your cover during a year.

Further information about insurance costs, including amounts payable to your adviser and stamp duty, are outlined in the Encompass Protection PDS.

Other fees and costs

The Trustee doesn't charge any additional fees or costs to members of the Plan for membership or for setting up insurance.

The Trustee may receive payments from the Administrator and the Insurer in connection with their role and the management of superannuation interests associated with this product. These payments are not an additional cost to you and may vary from time to time.

The *Family Law Act* helps superannuation, life insurance and other investments to be divided between parties should there be a marriage or de facto relationship breakdown. The Trustee may be obliged to provide information to other parties and manage the insurance in line with court orders. The Trustee may charge a fee for any costs they incur.

Paying for insurance inside superannuation

The Trustee doesn't accept contributions into the Plan. It only accepts a rollover of benefits from other superannuation funds for the purpose of paying insurance premiums.

Some conditions apply to the types of rollovers that can be accepted by the Trustee as explained below.

Paying premiums by rollover from another superannuation fund

You must provide a valid authority that instructs the Trustee to request from your nominated superannuation fund the amount required. You may do this by providing an Enduring Rollover Authority, which allows the Trustee to request your nominated fund to rollover benefits until you revoke the instruction.

The Trustee expects to be able to claim a tax deduction for the insurance premium it pays and, if so, it may pass this benefit on to you by reducing the amount of the rollover required to pay insurance premiums. In this instance, the rollover amount will be reduced by 15%.

For example, if the premium due (including any management fee and stamp duty) is \$1000, and the value of the tax deduction is \$150, the portion of the premium to be paid by the rollover is reduced to \$850, resulting in a 15% reduction for you. You'll be notified of the reduced amount required before the rollover request is sent to your nominated fund. Any changes to this practice will be communicated to you with advance notice. As the provision of this reduction relies on the Trustee exercising its discretion, the Trustee may reduce or cease applying this reduction at any time in the future where the Trustee considers it appropriate to do so.

Under the administrative arrangements for the Plan, the Administrator will initiate rollovers annually, or as required (where a member consents), to the Plan on behalf of the Trustee. Both the rollover amount and the tax credit amount (if applicable) being the annual premium payable on your policy, will be paid to the Insurer.

The Trustee is unable to accept rollovers that:

- ▶ have an untaxed element;
- ▶ contain United Kingdom (UK) transfer or New Zealand KiwiSaver transfer amounts; or
- ▶ aren't equal to the specific amount due.

Rollovers that cannot be accepted will be returned to the transferring superannuation fund. If a rollover is returned, you'll be requested to provide alternate instructions so that the premium can be paid.

Your nominated fund may apply limits or other conditions on rollovers, such as minimum withdrawals, and may charge fees for processing your request. You should check the terms and conditions with your nominated fund and ensure there's a sufficient balance in your account to cover the rollover each year. Otherwise, your cover under the Plan may be cancelled due to non-payment of premiums as discussed below.

Non-payment of premiums

Rollovers must be received when the premium is due for payment. Under the administrative arrangement for the Plan, the Administrator will notify you directly of your premium obligations. If rollovers aren't received when the premium is due, your insurance cover will be cancelled after giving notice to you to allow you the opportunity to contribute the overdue premium for the policy.

If a payment sufficient to meet the amount due is not made by the date notified, your insurance cover will be cancelled and you'll cease to be a member of the Plan.

The Trustee is not responsible for ensuring your insurance cover doesn't lapse due to insufficient or late premium payments. You may have to re-apply for insurance cover if it lapses.

Insurance cover may cease in other circumstances. You should refer to the Encompass Protection PDS for further information about the cessation of cover.

Cancelling or varying your insurance cover inside superannuation

Cooling-off period

You have a 30-day cooling-off period during which time you can cancel your insurance cover if you decide that it doesn't meet your needs. If you cancel your insurance cover during the cooling-off period, your membership of the Plan will also cease. You'll be entitled to a refund of the premium (including any management fee) paid to the Insurer, but it'll be subject to the tax and superannuation preservation rules imposed by law on the Trustee. See the section over, titled 'Refunds', for more information.

If you wish to use the cooling-off period, you must not have made a claim and must notify the Administrator (in writing or by phone – see the contact details on page 16) within 30 days of the earlier of:

- ▶ the date you receive your copy of the policy schedule; and
- ▶ the end of the fifth day after the policy was issued, and your membership commenced.

Varying your insurance cover

After you become a member of the Plan, you can make changes to your insurance cover (such as vary the type or amount of cover) at any time. For example, you may increase the amount of your Life, TPD or Income Protection Cover. This is subject to the Insurer's assessment of your application, their approval, and payment of applicable premiums.

If you want to increase your cover, you'll need to complete an Encompass Protection application form. Other alterations to your cover can be made with a letter or a short application form, depending on the change. For information about the documentation needed to vary your cover, contact the customer service team on 1300 476 030. Eligibility criteria and minimum and maximum insurance amounts apply. For further information, please refer to the Encompass Protection PDS.

Any changes will be effective only if the Insurer accepts your application. The applicable changes will be shown in a revised policy schedule, a copy of which will be provided to you.

Cessation of cover (and membership)

Insurance cover ceases in certain circumstances, as described in the Encompass Protection PDS. These circumstances include termination of the applicable insurance policy by you (by a notice provided to the Administrator), on your death or when the benefit expiry date is reached. Your insurance cover in the Plan may also cease if you claim on related cover under a non-superannuation Encompass Protection insurance policy. Refer to the Encompass Protection PDS for further information on the 'linking' or 'splitting' structures available, and your policy schedule.

Refunds

Rollovers received into the Plan are subject to superannuation preservation rules. In cases where a premium is refunded by the Insurer to the Trustee (for example, a part refund of a yearly premium when cover is cancelled before the next policy anniversary, or a full refund of the initial premium paid when cover is cancelled in the cooling-off period), whether or not preservation rules apply, the refund will be returned to the account which most recently initiated a rollover into your member account, or where this is not possible, held in your member account until such time as you provide instructions to roll the funds over to another complying superannuation fund.

The amount refunded for a premium you paid by rollover will be calculated on the rollover amount received, not the higher gross premium before any reduction in the premium amount as a result of tax deductions received, and passed on, by the Trustee.

You can transfer funds out of your member account by accessing your Australian Tax Office (ATO) online account linked to your myGov account (www.mygov.com.au) or by contacting your other complying superannuation fund.

If you don't transfer your funds, they'll remain in your member account until such time as the Trustee determines that you're a lost or inactive member and it transfers your account balance to the ATO. You'll still be able to transfer these amounts to another complying superannuation fund in future through your myGov account.

Any funds in your member account will not attract interest or fees.

Benefit payments and tax

Death, terminal illness and permanent incapacity benefits can only be paid to, or in respect of, eligible members of the Plan in the form of a lump sum payment. Income Protection Cover benefits are paid to eligible members of the Plan in the form of a regular income.

To claim a benefit, you must satisfy the Insurer's claim requirements. For information about this, refer to the Encompass Protection PDS.

The Insurer will pay the insurance benefit to the Trustee as soon as the requirements in your policy have been satisfied. It's then up to the Trustee to determine whether the benefit can be paid from the Plan and to who the benefit will be paid. This might be you, your legal personal representative or one or more of your dependants. In the case of death benefits, you may nominate your legal personal representative or your beneficiaries (see page 13).

Benefits paid from the Plan are treated as superannuation benefits for tax purposes. Where required, tax payable on a benefit will be withheld before an amount is paid from the Plan by, or on behalf of, the Trustee.

Conditions of release

Superannuation trustees are required by law to only provide insurance benefits that may be paid upon meeting a condition of release. The condition of release that may be relevant for each type of insurance is provided below.

Type of insurance	Related conditions of release
Life Cover	Death Terminal medical condition A terminal medical condition exists in relation to a member of a superannuation fund at a particular time if the following circumstances exist: <ul style="list-style-type: none">▶ two registered medical practitioners have certified, jointly or separately, that the member is suffering from an illness, or has incurred an injury, that is likely to result in death within a period (the certification period) that ends not more than 24 months after the date of the certification▶ at least one of the registered medical practitioners is a specialist practicing in an area related to the illness or injury suffered by the member; and▶ for each of the certificates, the certification period has not ended.
TPD Cover	Permanent incapacity Permanent incapacity in relation to a member of a superannuation fund means ill-health (whether physical or mental), where the Trustee is reasonably satisfied that the member is unlikely, because of their ill-health, to engage in gainful employment for which the member is reasonably qualified by education, training or experience.
Income Protection Cover	Temporary incapacity Temporary incapacity in relation to a member of a superannuation fund who has ceased to be gainfully employed (including a member who has ceased temporarily to receive any gain or reward under a continuing arrangement for the member to be gainfully employed), means ill-health (whether physical or mental) that caused the member to cease to be gainfully employed but does not constitute permanent incapacity. A benefit can't be paid for longer than the period of temporary incapacity.

There are other conditions of release allowed under superannuation law. Irrespective of the conditions of release described above, the applicable insurance definition in the Encompass Protection PDS must be met for an insurance benefit to be payable.

Under superannuation law, you must satisfy a condition of release before a benefit can be paid to you. For more information about conditions of release (under superannuation law), go to www.apra.gov.au or www.ato.gov.au

Preservation age

Your preservation age depends on your date of birth as follows:

Date of birth	Preservation age (years)
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

Lump sum benefits

Lump sum benefits will not be paid until the Trustee has determined to who the benefit will be paid. If a lump sum benefit becomes payable, tax may be deducted before a benefit is paid. As the Plan doesn't offer a superannuation savings or investment facility, any insurance benefit received by the Trustee from the Insurer will not attract investment earnings for the period that it's held in the Plan.

Death benefits

The taxation of lump sum death benefits will depend on the relationship between you (the deceased member of the Plan) and the beneficiary. If the beneficiary is a dependant (as defined under taxation law) of yours, the benefit will be paid free of tax. Otherwise, the taxable component of the death benefit will generally be taxed at up to 15% plus any Medicare levy. If the benefit contains an untaxed element, then a tax of 30% plus any Medicare levy can apply. Any tax-free component of your death benefit will always be paid tax-free, regardless of your relationship with the beneficiary. Please refer to page 13 for information about who qualifies as a 'dependant'.

You should note that an adult child (aged 18 or more) is not a dependant for taxation purposes, unless they're financially dependent, or in an interdependency relationship, with you as defined in superannuation law.

Permanent incapacity benefits

The taxation of lump sum benefits paid as a result of permanent incapacity depends on your age and other circumstances. If you're 60 or more, the benefit is tax-free unless the benefit includes an untaxed element.

If you're under 60, any tax-free component can be received free of tax and the balance of the benefit may be taxable, depending on whether or not you've reached your preservation age and the size of your benefit.

If you're at or above your preservation age but under 60, the taxable component up to the low rate cap amount (\$230,000 for the 2022/23 financial year, which is subject to indexation in future years) is received tax-free. The taxable component above the low rate cap amount will be taxed at a maximum rate of 15% plus any Medicare levy. If you're under your preservation age, the taxable component of the benefit will be taxed at a maximum of 20% plus any Medicare levy.

While the tax rates shown here are maximum tax rates that will apply to your lump sum benefit, any amount of taxable component you receive before age 60 will be added to your assessable income. This may have implications for other government concessions and benefits. Your financial adviser will be able to help you understand any impacts that may be relevant to your circumstances.

Terminal illness benefits

Terminal illness benefits that qualify as the payment of a benefit to the insured person with a terminal medical condition (requiring the Trustee to be satisfied that you're suffering a terminal medical condition as defined in superannuation law) are tax-free.

Income protection benefits

The benefits paid under Income Protection Cover (in the form of regular income payments that qualify as temporary incapacity benefits under superannuation law) must be included in your tax return and will be taxed at your marginal income tax rate.

Death benefit nominations

In the event of your death, benefits will be paid to one or more of your dependants, to your legal personal representative or otherwise in accordance with superannuation law. Unless a valid binding nomination is in place, any beneficiary nomination you make will be considered by the Trustee, but the Trustee will determine, in its complete discretion, to whom the benefit will be paid.

Binding nominations

You have the option of making a binding death benefit nomination. In this case, the Trustee must pay the death benefit in accordance with your nomination, as long as the person that you've nominated to receive the benefit (or a share of the benefit) is eligible to receive it at the date of your death and the nomination is valid. If anyone you nominate is not entitled to receive a share of your benefit, the Trustee may distribute that person's share according to the Trustee's discretion.

Each binding nomination remains valid for only three years. If you choose this option, it's your responsibility to renew your nomination and advise the Trustee of appropriate changes. Under superannuation law, you may only nominate a person who qualifies as a dependant for superannuation purposes or your legal personal representative.

The Trustee is only bound by a nomination if:

- ▶ it's made in writing and signed by you in the presence of two witnesses who are over 18 years of age and not named as beneficiaries in your nomination
- ▶ it clearly identifies the proportions in which the death benefit is to be allocated between nominated beneficiaries and your legal personal representative, if you have more than one beneficiary; and
- ▶ it complies with any other form and content requirements of the Trustee from time to time.

To change or replace a nomination, you must complete and return another death benefit nomination form. The death benefit nomination form is available at www.encompassprotect.com.au or by calling 1300 476 030.

The validity and effectiveness of any nomination is determined by the Trustee at the date of death.

Definition of a dependant

Under superannuation law, a dependant includes:

- ▶ your current spouse (including de facto spouse) of either gender
- ▶ your children of any age (including adopted children, stepchildren and your spouse's children)
- ▶ someone who is financially dependent on you; or
- ▶ someone with whom you have an 'interdependency relationship'.

Under superannuation law, two people have an 'interdependency relationship' if:

- ▶ they have a close personal relationship
- ▶ they live together
- ▶ one or each of them provides the other with financial support; and
- ▶ one or each of them provides the other with:
 - domestic support and personal care, but not if one of them provides domestic support and personal care to the other under an employment contract, a contract for services or on behalf of another person or organisation such as a government agency, a body corporate or a benevolent or charitable organisation; or
 - support or care of a type and quality normally provided in a close personal relationship, rather than by a mere friend or flatmate.

Two people also have an 'interdependency relationship' if they have a close personal relationship, but they don't meet the other requirements of interdependency because:

- ▶ either or both of them suffer from a disability including a physical, intellectual or psychiatric disability; or
- ▶ they're temporarily living apart.

Please note, children aged 18 or more are not considered to be dependants for taxation purposes unless they satisfy the definition of dependant in the taxation law in some other way (for example, they're considered to be 'financial dependents').

Depending on who you nominate, there may be different taxation consequences. You should obtain taxation advice about this, having regard to your personal circumstances.

Definition of a legal personal representative

Your legal personal representative, for the purpose of any distribution of death benefits, usually means the executor of the will or administrator of the estate of a deceased person.

Risks of holding insurance inside superannuation

There are risks you should consider before deciding to hold insurance inside superannuation, including:

- ▶ In addition to the terms and conditions of the applicable insurance policy which govern the grant of insurance cover, and payment of benefits, by the Insurer to the Trustee, insurance benefits inside superannuation are also subject to superannuation law and the Trust Deed of the Fund. In relation to the insurance benefits provided by the Trustee from the Plan, if there's any inconsistency between the applicable insurance policy and the Trust Deed, the Trust Deed prevails. Superannuation law will prevail over both the Trust Deed and the insurance policy, to the extent of any inconsistency.
- ▶ A benefit paid from the Plan is a superannuation benefit for tax purposes. Depending on your tax circumstances, it may be subject to more tax than would otherwise apply if the benefit was paid from the same insurance held outside of superannuation.
- ▶ Limits apply to the amount you can contribute to superannuation each year. Any contributions you make to superannuation to fund the rollover of premiums associated with insurance in the Plan will reduce the amount you may be able to contribute to other superannuation for retirement savings purposes.
- ▶ Premiums for insurance cover will reduce your retirement savings so that you may have less available to you on retirement than otherwise may have been the case.
- ▶ Taxation or superannuation law may change in the future, therefore altering the suitability of holding insurance cover in superannuation.

In addition to the risks associated with purchasing insurance inside superannuation, there are other risks associated with purchasing and holding insurance. Refer to the Encompass Protection PDS for more information.

Your financial adviser and how to apply

This superannuation product (including the insurance cover available through this product) is available through financial advisers, referred to in this Super PDS as 'your financial adviser'.

Your financial adviser may act as your agent and lodge on your behalf an application for membership of the Plan and your application for insurance cover. If your application is accepted, the Insurer may pay your financial adviser a commission for selling the insurance cover to you. You can obtain details from your financial adviser of any commission paid. The commission is paid by the Insurer out of insurance premiums it receives from the Plan. Commissions are not paid by the Trustee.

When your financial adviser lodges an application on your behalf, they're required to confirm that they have authorisation to act as your agent. It's your responsibility to ensure that the information provided to the Administrator, the Insurer and the Trustee by your financial adviser is accurate and complete. The Trustee and the Insurer will rely on the accuracy of the information provided via any online application as if a paper application was signed and submitted by you.

Applications for membership of the Plan can only be accepted after the insurance cover application has been accepted by the Insurer. In accepting your application, the Trustee and the Insurer will rely on declarations and authorisations made by you, either directly or via your financial adviser, relating to the following matters:

- ▶ You've appointed your financial adviser to act on your behalf in relation to your application and, if you choose to submit an online application, you've appointed your financial adviser to complete and lodge an application as your agent.
- ▶ You've received this Super PDS and the Encompass Protection PDS.
- ▶ You confirm the information supplied in connection with the application is true and correct and no information material to the application has been withheld.
- ▶ You authorise the rollover collection of premiums from the account designated in the application.
- ▶ You have read the privacy statement provided below.

Tax file number collection

Collection, use and disclosure of tax file numbers (TFNs) by superannuation funds is authorised under the *Superannuation Industry (Supervision) Act 1993* (Cth). The Trustee will only use your TFN for purposes authorised by law. The purposes may change in the future as a result of legislative change. The purposes currently authorised include:

- ▶ taxing benefit payments at lower rates than may otherwise apply
- ▶ passing your TFN to the Australian Taxation Office
- ▶ allowing the Trustee to provide your TFN to another superannuation provider if your benefit is being transferred to that provider. However, the Trustee will not do so if you advise in writing that you don't want it to be passed on; and
- ▶ locating accounts in the Fund or, with your consent, consolidating certain accounts within the superannuation environment.

Declining to quote your TFN is not an offence; however, if you don't provide your TFN:

- ▶ the Trustee cannot accept contributions made by you or someone on your behalf (other than your employer)
- ▶ certain concessional contributions and other amounts may be subject to an additional no-TFN tax
- ▶ you may pay more tax on your superannuation benefits than you have to; and
- ▶ it may be more difficult to find your superannuation benefits if you lose contact with your superannuation fund.

As a consequence, the Trustee has determined that it will not accept your application for membership of the Plan until you provide your TFN.

Trustee privacy statement

This privacy statement relates to the collection, use, storage and disclosure of personal information about you in all communications with the Trustee.

Please view our full Privacy Policy online at www.diversa.com.au/privacy/ which sets out our full obligations regarding the handling of your personal information.

The Trustee only collects information from you that's necessary to admit you as a member of the Fund and to administer your Fund membership. By this, we mean creating and managing your account, and providing you with information about other products or services that may be available to you.

If the Trustee is unable to obtain the personal information it needs about you, the Trustee may be unable to process your application for membership of the Fund or to properly administer your Fund membership. The Trustee has engaged professional service providers to provide financial, administrative, insurance and other services in connection with the operation of the Fund, including the Insurer and the Administrator. These third parties are authorised, under the strictest confidence, to only use your personal information to admit you as a member of the Fund, or to administer your Fund membership in accordance with the requirements of the privacy law.

The Trustee may also disclose your personal information when required by law (for example, to a law enforcement agency, or to another superannuation fund from or to which your benefits are being transferred). Your financial adviser may be given read-only access to your personal information, if you have consented to this. You may notify us at anytime if you'd like to withdraw your consent to your personal information being disclosed for that purpose. Any other use or disclosure of your personal information to a service provider, body or agency will be subject to the terms of our Privacy Policy.

Access to your personal information

Under privacy laws, you're entitled to request access to personal information held by the Trustee about you and to ask the Trustee to correct this information when you believe it's incorrect or out of date. No fee will be charged for an access request. You may be charged for the reasonable expenses incurred in giving you any information you have requested (e.g. searching and photocopying costs). To access personal information held about you, or to obtain more information about your rights or our Privacy Policy, please contact:

Member Services

Diversa Trustees Limited
Post: GPO Box 3001, Melbourne VIC 3001
Phone: 03 9097 2800

Supporting identification documents

As a result of the Trustee's obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act) (Cth) and the Australian Sanctions laws, you may be required to provide proof of identity prior to being able to access your benefits in cash (called 'customer identification and verification' requirements).

These requirements may also be applied by the Trustee from time to time in relation to the administration of your superannuation benefits as required or considered appropriate under the Government's legislation. You'll be notified of any requirements when applicable.

If you don't comply with these requirements, the Trustee may decide to delay or refuse any request to process any transaction, freeze accounts or restrict access to funds (where permissible under any applicable legislation), if the Trustee is concerned that the request or transaction may breach any obligation they have under the AML/CTF Act, or cause them to commit or participate in an offence, under any law. The Trustee will incur no liability to you if they do so.

Who to contact

In the first instance, enquiries should be directed to:

General enquiries

Customer Service

Encompass Protection

Mail: GPO Box 239, Sydney NSW 2001

Phone: 1300 476 030

Email: customer@encompassprotect.com.au

Website: www.encompassprotect.com.au

Claims

Claims

Encompass Protection

Mail: GPO Box 239, Sydney NSW 2001

Phone: 1300 476 030

Email: claims@encompassprotect.com.au

Website: www.encompassprotect.com.au

What to do if you have a complaint

Superannuation law requires the Trustee to take all reasonable steps to ensure that complaints are properly considered and dealt with within 45 days, unless the complaint is about death benefit distributions, in which case it is 90 days. If you have a complaint, please contact:

Complaints Officer
Protect Super Plan
Mail: GPO Box 239, Sydney NSW 2001
Phone: 1300 476 030
Email: customer@encompassprotect.com.au
Website: www.encompassprotect.com.au

We'll acknowledge your complaint within 24 hours of receipt and aim to resolve your complaint as soon as possible. If you're not satisfied with our response, or we don't respond within 45 days, you may wish to refer the matter to the Australian Financial Complaints Authority (AFCA), an independent financial services disputes resolution scheme that is free for customers.

Australian Financial Complaints Authority
GPO Box 3, Melbourne, VIC 3001
Phone: 1800 931 678
Website: www.afca.org.au

This Product Disclosure Statement is issued by Diversa Trustees Limited ABN 49 006 421 638 AFSL 235153 RSE L0000635 (Diversa, the Trustee) as trustee of Protect Super Plan (the Plan), a life insurance only division of the OneSuper Plan ABN 43 905 581 638 RSE R1001341 (the Fund).

MLC Limited ABN 90 000 000 402 AFSL 230694 (the Insurer) is the issuer of the insurance policies to the Trustee for the benefits provided from the Plan. MLC Limited use the MLC brand under licence. MLC Limited is part of the Nippon Life Insurance Group.

NEOS Life (NEOS) is a registered business name of Australian Life Development Pty Ltd ABN 96 617 129 914 AFSL 502759. NEOS administers Encompass Protection and the Plan (excluding the administration of claims) on behalf of the Insurer and the Trustee.



Encompass

PROTECTION

To find out more about Encompass Protection, please visit our website at: www.encompassprotect.com.au

For assistance, please contact us on the below details:

Customer service

Phone: 1300 476 030

Email: customer@encompassprotect.com.au

Claims

Phone: 1300 476 030

Email: claims@encompassprotect.com.au

EA004_0922