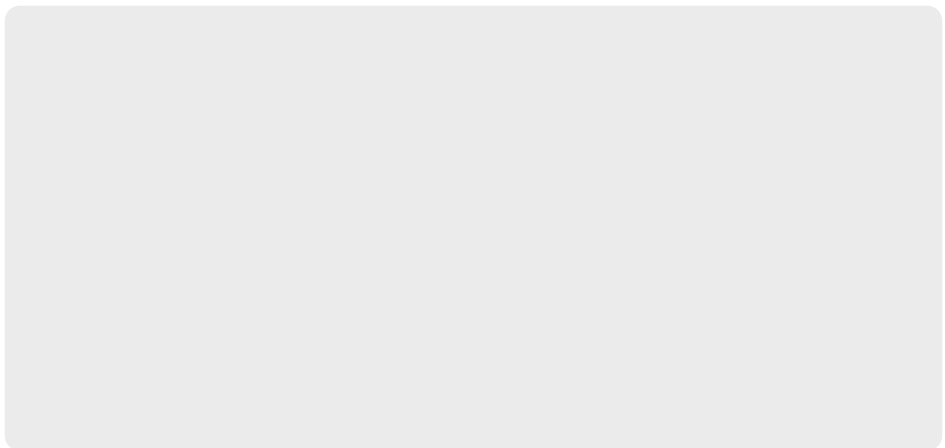




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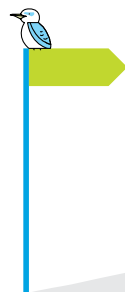


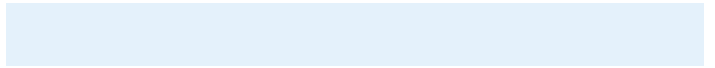
Introduction

When VicSuper joined Aware Super in July 2020, we promised to bring you the scale and skills to do well for our members. With our combined strength we're bringing a wider range of investment options for strong returns over the long term, and innovations to make things easier for you. We'll keep you informed as we continue our transition to give you smarter and simpler super products, and let you know as further changes happen.

It's important that you read this notice and take the time to understand the changes. You have time to consider what's best for you and to contact us if you have any questions or to make any changes to your account. You can log into MembersOnline or the mobile app to easily make changes. See the **What's next** section on page 28 if you need help getting set up.

If any of the dates in this notice change, we'll publish the new dates on our website at vicsuper.com.au/sen.





Important insurance dates*

To check if you have insurance through your VicSuper account, log into MembersOnline or the mobile app and go to the Insurance tab.

On this date*...

this will happen...

**5pm Friday
21 October 2022**

If you want to apply for insurance or make any changes, we need to receive your application by this date.

You can cancel your insurance at any time during the temporary interruption, please call us to discuss.

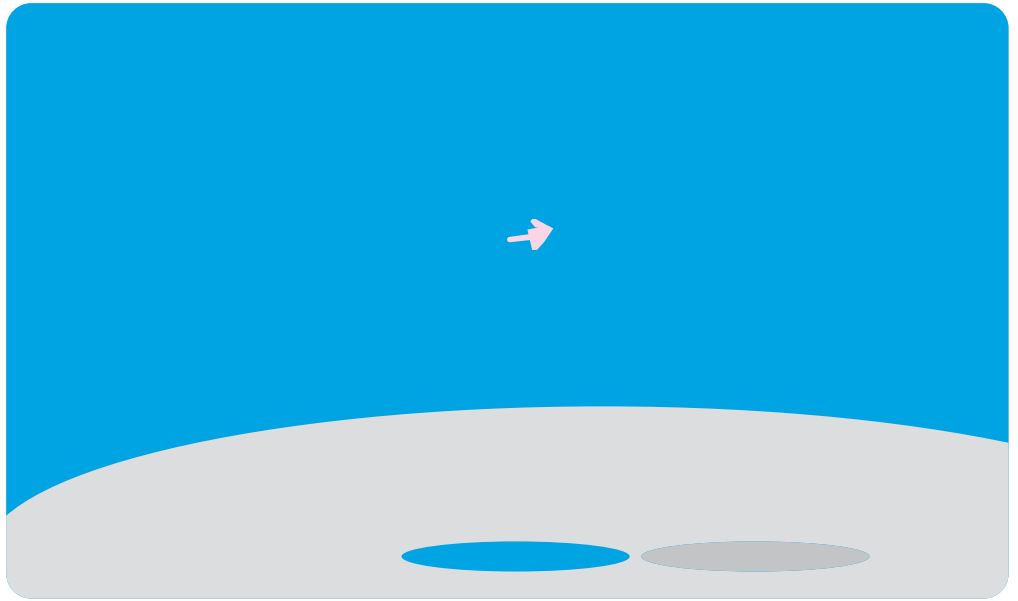
**From 9am Tuesday
8 November 2022**

You can log into your account and check your insurance.

**Tuesday
31 January 2023**

If your current occupation category is General and you want us to review your new insurance category, we'll only backdate any changes to 3 November 2022 if we receive your request on or before 31 January 2023. If we receive your request for a review after this date, any change to your insurance category will be effective from the date the change is approved.





1 Introduction to MySuper Lifecycle

Most of our members are invested in the default MySuper offering. To check if this is you, go to MembersOnline login.vicsuper.com.au and read the section, *How to check your investment option*. If you're invested 100% in the Growth (MySuper) investment option, then you should read this section.

We're changing our default MySuper offering from a single Growth investment option to a Lifecycle investment approach that will boost the potential to grow your retirement savings, while helping you manage the impact of risk on your investments over time. We do this by adjusting your investments automatically as you get closer to retirement. That way you should have more money to retire on. And the good news is that we do it all for you. Some of these investment options are new so have a look at section 2 for details.

These changes will occur in the months after the 3 November 2022 investment option changes. For more information about MySuper Lifecycle, including updates on dates of the investment options changes, head to vicsuper.com.au/update.



How MySuper Lifecycle will work

If your account is invested in the MySuper Lifecycle approach, we'll move your account balance and future contributions automatically based on your age which consists of three key phases: **Grow**, **Manage** and **Enjoy** — see Table 1 for details.

Table 1 The new MySuper Lifecycle approach will have 11 stages

	Age	New MySuper Lifecycle stage	Description
GROW	Age 55 and under	100% High Growth	Your balance and future contributions will be invested in High Growth. This investment is generally riskier than the current Growth investment (and could produce larger fluctuations in returns), but has the potential to generate stronger long-term returns.
MANAGE	Age 56	80% High Growth 20% Balanced	You will be invested in a mix of High Growth, Balanced and Conservative Balanced.
	Age 57	60% High Growth 40% Balanced	Small changes will be made automatically each year on your birthday* (or the following business day if your birthday falls on a non-business day) to gradually reduce your exposure to growth assets. This will reduce your investment risk over time.
	Age 58	40% High Growth 60% Balanced	
	Age 59	20% High Growth 80% Balanced	
	Age 60	100% Balanced	
	Age 61	80% Balanced 20% Conservative Balanced	
	Age 62	60% Balanced 40% Conservative Balanced	
	Age 63	40% Balanced 60% Conservative Balanced	
	Age 64	20% Balanced 80% Conservative Balanced	
ENJOY	Age 65 and over	100% Conservative Balanced	

* We'll send you a courtesy reminder about the change approximately 60 days prior to your birthday.

How we'll move your investments to MySuper Lifecycle

If you are a member who is:

- currently invested 100% in the Growth (MySuper) option, or
- currently invested in **only** Growth (MySuper) option **and** have insurance proceeds held in the Cash option

and you don't opt out of the MySuper Lifecycle approach, your balance in the Growth

(MySuper) option will be progressively transitioned to the lifecycle st 'nJ/T1 1 Tf525 (p)-2 (r)47.(l

Fees and costs for MySuper Lifecycle

Your administration and account keeping fees will stay the same. Your investment fees and costs may increase or decrease when we transfer you to the new MySuper Lifecycle approach, depending on your Lifecycle stage. Lifecycle stages with more growth assets

Opting out of the MySuper Lifecycle approach

If you choose to opt out of the move to the MySuper Lifecycle approach, you'll switch from Growth (MySuper) to Balanced on 3 November 2022 and won't be included in any future automatic Lifecycle switches.

To opt out of the move to the MySuper Lifecycle

If you'd like to opt out of the move to the MySuper Lifecycle approach you must do it before **4pm 2 November 2022**. Visit vicsuper.com.au/update and fill in the online form or call us on **1300 366 216**. You'll need your member number/username and MembersOnline password, so have this information handy, and follow [1 \(h\)-18.6 \(e\)-15.3 \(sT\)-1](#)

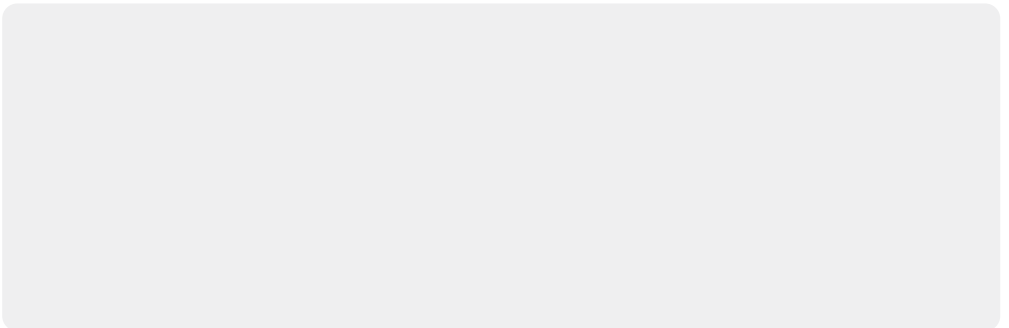


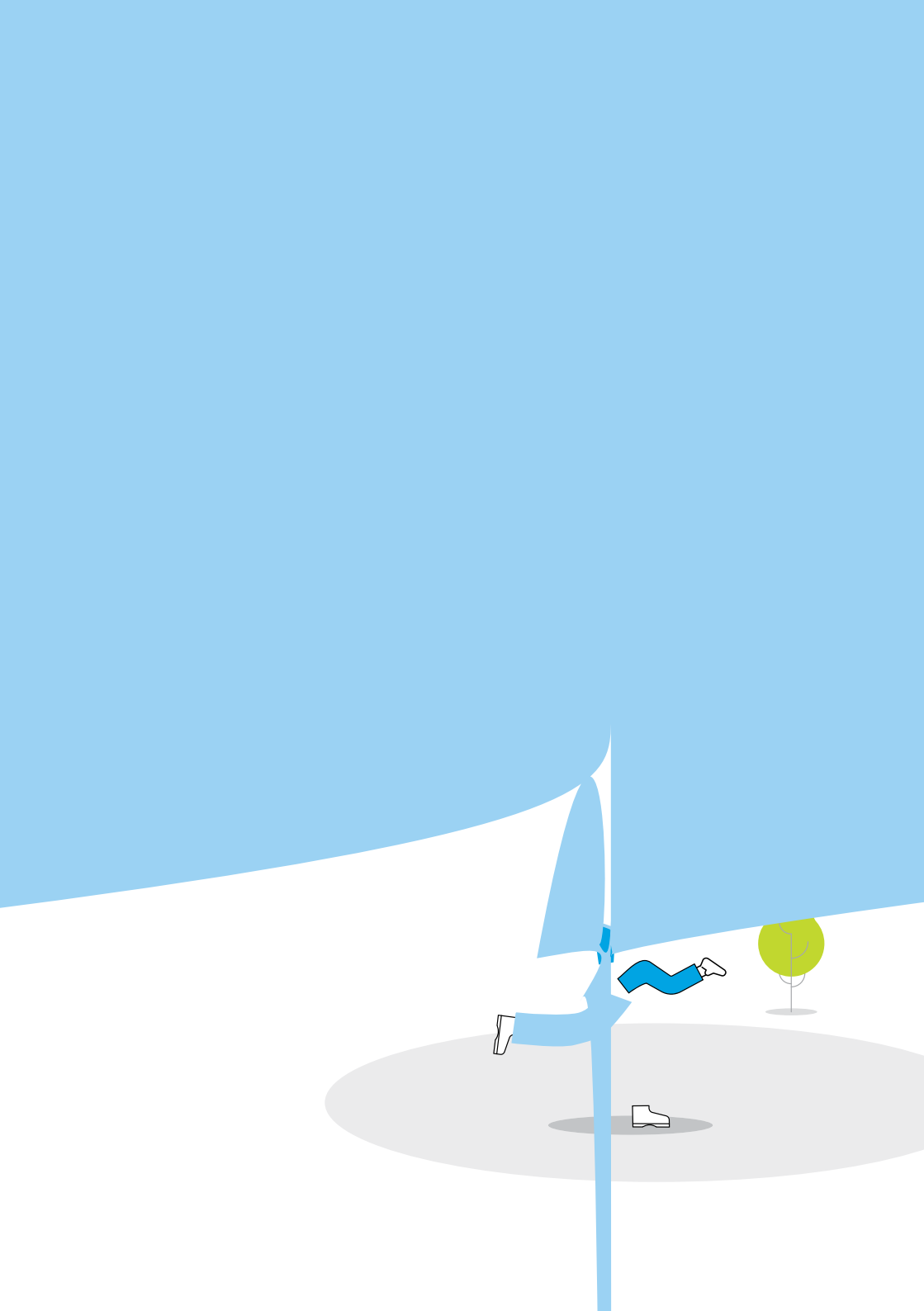
Confirming your holdings

4 Introducing a new rebalancing feature

If you've chosen to invest in more than one investment option, and you did this by specifying the percentages of your account to be invested in each of those options, you'll find that the percentages actually held in each option will change over time as investment markets move.

You can ask us to rebalance your account balance back to those originally specified percentages by choosing our new annual rebalancing feature which will automatically do this for you on 15 July each year. If you want to use annual rebalancing you can enable it through MembersOnline.





7 Changes to insurance

We regularly review our insurance arrangements for members to ensure they're competitive and meet our members' expectations. As a result of our most recent review, we'll be making changes to our insurance arrangements, effective from 3 November 2022.

From 3 November 2022 we're:

- replacing unit-based death and total and permanent disablement (TPD) cover with an age-based cover design that will improve affordability of automatic cover
- introducing new streamlined, online insurance application processes
- changing the way we calculate insurance premiums
- introducing new insurance categories (which are used to calculate insurance premiums)
- simplifying many insurance features, including a simplified TPD definition.



No member's amount of cover will reduce on 3 November 2022 as a result of these changes.

These changes are outlined in the following sections. To check if you have insurance through your VicSuper account, log into MembersOnline and go to the Insurance tab. If you have insurance, or you're thinking about getting insurance, you should read this section.

Change of insurer

We recently conducted a comprehensive tender to appoint an insurer for Aware Super, including VicSuper.

As a result of this process, Aware Super has appointed TAL Life Limited (TAL) as the fund's sole insurer from 3 November 2022. TAL is one of Australia's largest life insurance companies, providing death and disability insurance for large super funds like Aware Super. Today TAL insures over 4.5 million Australians.

To help members more easily take up insurance, we're introducing two pre-packaged levels of death and TPD cover:

- **Basic Cover**, which provides death and TPD cover equal to the new age-based cover scale.
- **Basic Plus Cover**, which is double the amount of Basic Cover. If you apply for Basic Plus Cover, you may also be eligible to add income protection (IP) insurance (2-year benefit period, 60 days waiting period) with minimal health and lifestyle questions.

Table 6 Age-based cover (death and TPD) - 2026 (ie 6 A) - 016168 064308

Continued flexibility to choose cover that's appropriate for you

You'll continue to have the flexibility to choose a level of insurance that meets your needs. You can apply for:

- Fixed cover – a cover amount that does not change over time, or
- Multiples of age-based death and TPD cover – multiples of 0.5 (0.5, 1.0, 1.5, 2.0 and so on) up to the maximum policy limits.

Depending on the level of cover you choose and the circumstances that apply, the insurer may need you to answer questions to decide whether to offer you the amount of cover you've requested.

Converting your unit-based death and total and permanent disablement (TPD) cover to the new age-based cover

If you currently have unit-based death and TPD cover, we'll convert it to a comparable multiple of the new age-based cover scale. To ensure this conversion doesn't reduce your cover on 3 November 2022, we'll round the multiple up to two decimal places and this multiple will apply

The exception is if you're 68 years old on 3 November 2022. In this case you'll keep your level of cover through to age 70 when your cover ends.

Example of how fixed TPD cover reduces from age 61



Sam applies for and receives \$100,000 of death and TPD fixed cover when he's 50 years old. When Sam turns 61, his death cover stays at \$100,000 but the TPD cover reduces to \$90,000. Sam's TPD cover will continue to reduce by \$10,000 every year on his birthday until it expires when he turns 70.

If Sam had instead applied for and received \$100,000 of fixed death and TPD cover when he was 65 years old, Sam's death cover would stay at \$100,000 but the TPD cover would reduce by equal amounts every year on his birthday until it expires at 70. In this case Sam's TPD cover would reduce by \$20,000 each year.

Changes to income protection (IP) insurance

Fixed dollar IP insurance will replace our current unit-based IP structure. This means you can apply for a fixed dollar amount of cover, subject to policy limits.

If you have IP insurance on 2 November 2022, we'll convert it to the same fixed dollar amount on 3 November 2022.

Example



If you have six units of IP insurance at \$500 per unit per month, it will become \$3,000 per month of fixed IP insurance from 3 November 2022.

Other changes to IP insurance from 3 November 2022 are:

- if you don't have income protection (IP) cover, you can apply for it through our new IP Express offer with limited evidence of health – if you do this online, you'll get an immediate response to your application. Under IP Express, you can apply for cover with a 60 or 90 days waiting period and with a 2 or 5 years benefit period. Maximum levels of cover apply based on your insurance category, as follows:

Insurance Category*	Maximum IP Cover (per month)
Professional	\$20,000
Low Risk	\$12,000
Medium Risk	\$10,000
High Risk	\$3,000

* See page 21 for information about Insurance categories

- if you're totally disabled due to illness or injury and not earning any income, the maximum monthly benefit you can receive from all sources will change from 85% to 87% of your pre-disability income, subject to policy limits,
- if you're partially disabled due to illness or injury (meaning that you're earning a lower level of income than normal, due to returning to work on limited hours as a result of your disability), the maximum monthly benefit you can receive from all sources will change from 100% to 95% of your pre-disability income, subject to policy limits,
- you may be eligible to apply for an increase in your IP insurance when your salary increases, with limited evidence of health and no more than once every 12 months,
- we're removing the optional "Occupational" definition (which some members have currently chosen, at a higher premium) - a "Simplified" definition of disability will apply to all insured IP members in future,
- if you had IP cover but it had ceased because you had been unemployed for longer than 12 months or because you had been on approved unpaid leave for longer than 12 months or approved parental leave for longer than 24 months, your IP cover will recommence from 3 November 2022 and be subject to the terms of the new IP policy,
- if you are not employed and you become disabled due to illness or injury after 3 November 2022, however you had been employed in the past, you will be covered under the new IP policy.

Changes to automatic insurance arrangements

If we receive a SG contribution from your employer within 6 months after you become eligible for Basic Cover, we'll backdate the start date of your Basic Cover to the date you became eligible. Otherwise, we'll start your Basic Cover from the date we receive the SG contribution. SG contributions must be received before age 70 to start Basic Cover automatically.

You can apply for Basic Cover before you are eligible to receive it automatically. Evidence of health requirements will apply.

If you joined VicSuper as an individual (PersonalSaver member), you can apply for Basic Cover and Basic Plus Cover at any time.

Sworn police officers in the NSW Police Force can't apply for this insurance in VicSuper.

New premium rates

The premium rates and the way we calculate your insurance premium is changing. The cost of your cover will be based on a range of factors:

- your age,
- your cover type and amount,
- your insurance category,
- any premium loadings the insurer applies, and
- your waiting and benefit periods (IP cover only).

The same death and TPD premium rates will apply for both age-based cover and fixed

Table 7 Insurance categories

Insurance category **Definition**

When the insurance category is based on your occupation:

- Your duties include light manual work (light weight-lifting, carrying or stocking only), including skilled technicians.
- You may perform low risk or professional duties outside an office or classroom environment for more than 10% of regular working hours and you do not engage in manual work.
- Your duties are not performed in a hazardous environment and there is no use of heavy machinery or heavy equipment.

When the insurance category is based on your employer's workforce:

- The employer's workforce mainly includes employees whose primary duties are as mentioned under the Low Risk and Medium Risk insurance categories, with a limited proportion of employees in the High Risk insurance category.
 - The employer's workforce may comprise employees who qualify for Professional, Low Risk, Medium Risk or High Risk if assessed individually.
-

When the insurance category is based on your occupation:

- Your duties are mainly manual or heavy manual work.
- Your duties can include the use of heavy machinery/equipment and working in hazardous environments.
- Includes roles in emergency services.

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Your insurance category is one of the key factors used to determine the cost of your insurance. **It's important you review** the insurance category assigned to you and consider if it's appropriate to your occupation. You may be paying

Enhancing the insurance premium tax rebate process

From 1 January 2023 we'll give you a 15% tax rebate on every insurance premium deducted from your account at the same time as we deduct the premium. Currently we only process the rebate every 30 June and 31 December, so in future you'll receive the rebate earlier than you do today.

Example

If Sam's monthly insurance premium is \$100, we'll calculate the monthly 15% tax rebate ($\$100 \times 15\% = \15), which will show online and in her annual statement as an addition to her account at the end of each month.



Introducing an insurance administration fee

To help recover the cost of administering insurance and claims, a new monthly insurance administration fee of \$1.85 is being introduced. If you have any insurance on the last day of the month, the fee will be deducted from your FutureSaver account on that day. This fee won't be charged during the 60-day cooling off period for automatic insurance.

New total and permanent disablement (TPD) definition

A new TPD definition will apply for claims with a date of disablement on or after 3 November 2022. The key changes are:

- different provisions based on a member's age will be removed - only one set of provisions for all members will apply,
- the optional *own occupation* TPD definition (which some members have currently chosen, at a higher premium) will be removed - the same definition of TPD will apply to all insured members in future,
- activities of daily living, future care, domestic duties and loss of limbs provisions that currently apply in the current definitions will be removed, making the TPD definition less complex and it will be consistent across all members, whatever their age, and
- if you try to return to work but last less than 30 days (up to two times), these attempts will be disregarded if and when you are assessed for TPD.

The insurer will assess all claims with a date of disablement on or after 3 November 2022 against this new definition, subject to the terms of the policy. For all TPD claims with a date of disablement before 3 November 2022, the TPD definition relevant to that date of disablement will be used.

Changes to terminal illness definition

The certification period for a terminal illness insurance benefit will be extended from 12 months to 24 months. Currently you can only apply for a terminal illness insurance benefit if two medical practitioners have certified that it is likely that you have less than 12 months to live.

From 3 November 2022, to qualify for a terminal illness benefit, you need to produce certification from two medical practitioners that your illness or injury is likely to cause your death within 24 months. At least one medical practitioner must be a specialist practicing in an area related to your illness or injury.

Activating automatic (default) cover early

This applies if you joined the fund through an employer and haven't received default cover yet.

If you're not yet eligible for default cover because you haven't yet reached age 25 and don't yet have a super balance of at least \$6,000, you can activate your default cover early. If you do this before 3 November 2022, you'll receive default death, total and permanent disablement (TPD) and income protection (IP) insurance under the current VicSuper arrangements, subject to eligibility requirements. Any insurance you get on or after 3 November 2022, automatically or on application, will be in accordance with the new insurance arrangements as outlined in this notice and policy terms.

To activate your insurance, log into MembersOnline before 4pm on 2 November 2022, click

What's next?

We'll communicate with you again in late November 2022 to confirm your new arrangements.

From 8 November 2022, we expect that you'll be able to view your new arrangements by logging into MembersOnline or the mobile app. With the app and MembersOnline, you'll find it's much easier to securely track and manage your super online.

If you prefer to check in with your super account anytime or anywhere, download the mobile app. Follow these simple steps to start using it right away:

- Have your MembersOnline login details handy
- Download the app to your phone
- Enter your login details and follow the prompts to get started.

These changes will be reflected in a new Product Disclosure Statement (PDS) issued 3 November 2022.

Annual Statement – 30 June 2022

You'll receive your Annual Statement for the year ended 30 June 2022 in the last quarter of 2022. It's important to remember that this Statement reflects your arrangements as of 30 June 2022 before the changes outlined in this notice come into effect on 3 November 2022.

Find out more

Visit vicsuper.com.au/sen where you can read more about these changes

