

# Claiming a Total and Permanent Disablement (TPD) benefit

Date of injury or ceased work: Before 27 October 2018

This fact sheet provides some important information on claiming a TPD benefit with TWUSUPER.

## What is a TPD benefit?

A TPD benefit is any insurance benefit payable (based on your age, level of cover and occupation) if you become totally and permanently disabled and are eligible for TPD insurance cover.

If you are not eligible for TPD cover or do not meet the Insurer's definition of TPD, you may still be eligible to claim your account balance (although not the insurance benefit) on the grounds of permanent incapacity.

## Am I eligible for a TPD benefit?

TPD cover was only included as part of the automatic basic cover the Fund offers members from 26 April 2008. To be eligible for full TPD cover, you needed to be in **active employment** at 26 April 2008 if you were a member of the Fund at that time. Otherwise you need to be in **active employment** at the time cover starts.

If you were not in **active employment** at the applicable date you may be eligible for limited cover (refer to our *Insurance Guide* for more information).

**Active employment** means that you were employed by an employer to carry out identifiable duties, and were actually performing those duties, and in the opinion of the Insurer, were not restricted by injury or sickness from being capable of performing those duties on a full time basis and the duties of your normal occupation on a full time basis (even if you were not working on a full time basis).

## Who can claim a TPD benefit?

If you have TPD insurance attached to your account, and you meet one of the definitions as outlined below in 'What definitions apply to TPD insurance cover?' then you should contact us to discuss your eligibility to lodge a claim.

If you do not have TPD insurance attached to your account, and you have two medical practitioners' opinions stating you are unlikely, because of ill-health (whether physical or mental), to engage in gainful employment for which you are reasonably qualified by education, training or experience, then you should contact us about a permanent incapacity claim.

Permanent incapacity claims are reviewed by the Trustee delegate and can provide approval to access your account balance.

## Do I need a lawyer or solicitor to lodge a TPD claim?

No. If you have a genuine claim to a benefit that is approved you will be paid irrespective of having a solicitor/lawyer acting on your behalf. The Fund is committed to ensuring that members receive all entitlements of their membership.

## What definitions apply to TPD insurance cover?

These definitions can be confusing, but you need to be able to satisfy at least one of the listed definitions below to be eligible for a TPD insurance benefit. If you are unsure we suggest you lodge your claim so that the Insurer and Fund can assess your claim.

You are **totally and permanently** disabled if one of the following applies:

- A. you suffer, as a result of sickness or injury:
  - i) the total and permanent loss of the use of two limbs;
  - ii) blindness in both eyes; or
  - iii) the total and permanent loss of the use of one limb and blindness in one eye; where:
  - iv) you are likely to be so disabled for life.
    - limb means the whole hand below the wrist or whole foot below the ankle; and
    - blindness means the permanent loss of sight to the extent that visual acuity is 6/60 or less, or to the extent that the visual field is reduced to 20 degrees or less of arc.
- B. you were, on the date of disablement, aged less than 65 years and, as a result of sickness or injury, have been absent from all employment for three consecutive months from the date of disablement and the Insurer considers, on the basis of medical and other evidence satisfactory to the Insurer, you are unlikely ever to be able to engage in any occupation, whether or not for reward;

Without limiting the definition of occupation used in this context, an occupation of yours will also include any reasonable alternative occupation you have engaged in for six consecutive months or more at any time.

OR

- C. you, as a result of sickness or injury, have been totally unable to perform without the physical assistance of another person any two of the following activities of daily living:
  - > dressing – the ability to put on and take off clothing;
  - > toileting – the ability to use the toilet, including getting on and off;
  - > mobility – the ability to get in and out of bed and on and off chair;

- bathing – the ability to wash or shower;
  - feeding – the ability to get food from a plate into the mouth,
- and you are permanently and irreversibly unable to do so for life, and in the Insurer’s opinion, on the basis of medical and other evidence satisfactory to the Insurer, you are unlikely to be able to engage in any occupation whether or not for reward.

**OR**

**D.** all of the following paragraphs (i), (ii), (iii) and (iv) apply to you:

- i)** you were, on the date of disablement, aged less than 65 years;
- ii)** you are absent from all work as a result of suffering cardiomyopathy, primary pulmonary hypertension, major head trauma, motor neurone disease, multiple sclerosis, muscular dystrophy, paraplegia, quadriplegia, hemiplegia, diplegia, tetraplegia, dementia and Alzheimer’s disease, Parkinson’s disease, blindness, loss of speech, loss of hearing, chronic lung disease or severe rheumatoid arthritis (each as defined in the Schedule of Medical Condition Definitions set out in the Fund’s insurance policy);
- iii)** the Insurer considers, on the basis of medical and other evidence satisfactory to the Insurer, you are unlikely ever to be able to engage in any occupation, whether or not for reward; and
- iv)** you are likely to be so disabled for life;

Without limiting the definition of occupation used in this context, an occupation of yours will also include any reasonable alternative occupation you have engaged in for six months or more at any time.

**OR**

**E.** you, as a result of sickness or injury, are totally and permanently unable to perform at least four of the following activities of daily work:

- 1)** Bending: The ability to bend, kneel or squat to pick something up from the floor and straighten up again.
- 2)** Communicating: The ability to:
  - a)** clearly hear with or without a hearing aid or alternative aid if required;
  - b)** comprehend and express oneself by spoken or written language with clarity; and
  - c)** successfully function on a day to day basis and in a work environment.
- 3)** Vision (reading): The ability to read, with or without correction with suitable lenses, to the extent that an ophthalmologist can certify that:
  - a)** visual acuity is equal to, or better than, 6/48 in both eyes; or
  - b)** constriction is within or greater than 20 degrees of fixation in the eye with the better vision.
- 4)** Walking: The ability to walk more than 200m on a level surface without stopping due to breathlessness, angina or severe pain elsewhere in the body.
- 5)** Lifting: The ability to lift, carry or otherwise move objects weighing up to 5kg using either or both hands.
- 6)** Manual Dexterity: The ability, with reasonable precision and success, to:
  - a)** use at least one hand, its thumb and fingers, including the ability to pick up and manipulate small objects; and
  - b)** use a keyboard.

You must be undergoing appropriate treatment/care prescribed by a medical practitioner specialising in your sickness or injury and any claim under this paragraph (E.) must be supported by medical or other evidence acceptable to the Insurer.

For paragraphs B. and D., ‘occupation’ means an occupation that you can perform, on a full time or part time basis, based on the skills and knowledge you have acquired through education, training or experience.

Despite the above, you will not be totally and permanently disabled under paragraph B. if:

- a)** at any time after you cease employment with your employer but prior to the date you suffer from the sickness or injury that is the principal cause of your disablement (‘the disability date’), you are not employed for a period of 12 or more consecutive months (‘period of unemployment’); and
- a)** you do not, after your most recent period of unemployment but prior to the disability date, return to active employment for two consecutive months.

### Special note: What if my date of disablement is after 30 May 2014?

If your date of disablement is after 30 May 2014, an additional requirement applies to paragraphs A., C. and E. of the definition of TPD (outlined above).

The additional requirement is that in the Insurer’s opinion, on the basis of medical and other evidence satisfactory to the Insurer, you are unlikely to be able to engage in any occupation whether or not for reward.

For the purposes of this additional requirement ‘occupation’ has the same meaning as for paragraphs B. and D. above.

### What is the process for claiming a TPD benefit?

#### Step 1 – Contact us

By answering a few questions over the phone with one of our claims consultants we can determine whether you might be eligible to claim a TPD (or permanent incapacity) benefit.

The claims consultant will discuss the claims process and help you get things started.

#### Step 2 – Submit your claim documents

Complete and sign (in all spots) the claim forms sent to you. Return the forms with all the documents requested, including your two doctors’/specialists’ reports and any other supporting medical reports/evidence you may have. If the information is incomplete or documents are missing, we may need to ask you for further information which may cause delays, so please take your time to complete them correctly and ensure all the necessary information is provided. If you need help, please give us a call.

#### Step 3 – The Insurer will assess your claim

Once all the forms and supporting documents are received, we send your claim to the Insurer to be assessed. Our Insurer may require additional reports or information from your doctors/specialists, your employer, workers’ compensation bodies, Centrelink and the Australian Taxation Office (ATO). Sometimes these take time, so we ask for your patience during this process. Remember, the Fund and Insurer will be working as quickly as possible to assess your claim.

The Insurer may require you to attend an independent medical examination. The Insurer will pay for these visits and reports, but if you miss your appointment you may be asked to pay a non-attendance fee.

## Step 4 – The insurer makes a decision

The Insurer will make a decision to accept the claim or decline the claim. If your claim is accepted, and you meet the permanent incapacity definition (you have two medical practitioners' opinions stating you are not likely, because of ill-health (whether physical or mental), to engage in gainful employment for which you are qualified by education, training or experience) your claim will be presented to the Trustee Delegate for approval of payment in accordance with your instructions.

If your claim is declined by the Insurer it is referred to the Trustee Delegate for a review of the decision.

## Step 5 – Trustee review

The Trustee will review any TPD claims declined by the Insurer. Its role is to ensure the Insurer's decision is fair and reasonable and in accordance with the Fund's Trust Deed and Policy Document. If the Trustee disagrees with the Insurer's decision, it will request the Insurer re-assess the claim on your behalf. You will be advised of any decision in writing once a final decision is made.

## What if I am not satisfied with the decision?

If you disagree with the decision, you can lodge a complaint. This complaint will be dealt with by our Complaints and Appeals Committee (a delegate of the Board) who will review your claim. This could include seeking a re-assessment from our Insurer.

The Trustee is required to take reasonable steps to properly consider and deal with your complaint within 90 days of it being made.

It is not always possible to properly consider and deal with complaints within 90 days. If the Trustee has not made a decision within 90 days of receipt of your complaint, you may write and request our written reasons for the Trustee's failure to make a decision within that period. Written reasons for not making a decision within 90 days of your complaint must be given within 28 days of receipt of your request.

You will be notified of the Trustee's decision on the complaint in writing once it is made.

If you are still not satisfied with the outcome or how TWUSUPER has handled your claim, or the matter cannot be resolved, you may be able to refer it to the Australian Financial Complaints Authority (AFCA). The AFCA is an independent body set up by the Federal Government to assist members to resolve certain superannuation complaints.

AFCA can be contacted on **1800 931 678** for more information.

## How long does the process take?

The length of the process will vary. The Fund and the Insurer will assess your claim as quickly as possible, but sometimes delays can occur when you, your employer and/or your doctors/specialists do not respond to requests for information. Delays can also occur when your injury/illness occurred some time ago.

We will provide updates, at least every 20 business days, on the progress of your claim.

## What if I need access to money now?

If you require access to your account balance while your TPD claim is being assessed, you can lodge a permanent incapacity claim. Permanent incapacity claims are reviewed by the Trustee once a month and can provide approval to access some of your account balance.

The Fund rules state that if you are accessing some of your account balance, a minimum of \$5,000 needs to remain in your account. This is to ensure you continue to remain covered for death and TPD whilst your claim is being assessed and provides you with peace of mind should something else occur in the meantime.

## Treatment of insurance claim proceeds in your account

If the insurer accepts your insurance claim and pays a benefit, the amount paid will be invested in the same way as any other contributions paid into your account are invested. This means the insured amount together with your account balance could increase or decrease, depending on your investment choice and corresponding investment returns. For more information on how your money is invested please refer to our *Investment Guide*.

## Is any tax payable?

Depending on your age, some tax will be payable if you take a lump sum withdrawal. Your tax free component will be increased using a formula based on your days to retirement (age 65) to reflect the period when you would have expected to be gainfully employed. The taxable component of your benefit will be taxed.

We suggest you seek financial advice about taxation, the impact on Centrelink benefits and other aspects if you are considering taking a lump sum withdrawal. TWUSUPER can also assist in providing financial advice\*.

## Note

If your TPD claim is accepted and your death cover is greater than your TPD cover and you die within 12 months of the TPD benefit being payable, the difference between your death cover and your TPD cover will be payable upon your death. To qualify for this payment you must remain a member of the Fund up to the date of your death (ie keep your account open). No additional premiums are payable for this benefit.

## We're here to help

If you have any queries or need help to complete the paperwork please call us on **1800 222 071** Mon-Fri 8am – 8pm (AEST/AEDT) or visit [twusuper.com.au](http://twusuper.com.au) for any assistance.

For details of the terms of the Fund's insurance cover – including standard Policy exclusions and limitations – refer to the *Insurance Guide* at [twusuper.com.au/pds](http://twusuper.com.au/pds).

This information is of a general nature only and does not take into account your objectives, financial situation or needs. Before acting on this information, you should consider its appropriateness having regard to your objectives, financial situation and needs. A copy of TWUSUPER's current Product Disclosure Statement should be obtained from us (by calling 1800 222 071 or visiting [twusuper.com.au](http://twusuper.com.au)) and considered carefully before you make a decision in connection with TWUSUPER. TWU Nominees Pty Ltd ABN 67 002 835 412, AFSL 239163, is the trustee of TWUSUPER ABN 77 343 563 307 and the issuer of interests in it.

\* The Trustee has engaged Industry Fund Services Limited (IFS) ABN 54 007 016 195 AFSL No 232514 to facilitate the provision of financial advice to members of TWUSUPER (Fund). Advice is provided by TWUSUPER financial advisers who are representatives of IFS. Fees may apply. Further information about the cost of advice is set out in IFS' Financial Services Guide, a copy of which can be obtained by calling 1800 222 071. IFS is responsible for any advice given to you by its representatives. The cost of providing certain phone-based financial advice services is incorporated into the indirect fees that are applicable to all accounts. Fees for comprehensive financial advice provided to you either over the phone or face-to-face are charged to you directly and will be set out in your Statement of Advice. TWUS 55621

