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Nicole Chew
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By email: SuperForecastsConsultation@asic.gov.au

Re: Submission - CP 351 Superannuation forecasts: Update to relief and guidance

I welcome the opportunity to respond to ASIC Consultation Paper 351 of November 2021 on Superannuation forecasts: Update to relief and guidance.

Introduction:

I am currently studying a Masters by Research at The University of South Australia (UniSA), while working as a sessional University lecturer, and self-employed Financial Adviser. I am a Certified Financial Planner® with 22 years of practitioner experience. My interest in superannuation research is a result of interacting directly with individuals who are attempting to navigate the compulsory, yet complex, superannuation environment. The research presented in this submission is from the findings of my Masters by Research thesis. Any views presented in this submission do not represent any organisation or stakeholder group.

Key Points

1. The accuracy of calculators and forecasts must take precedence over simplicity if these tools are to be meaningful for members and promote engagement with their retirement savings.

2. Research undertaken for my Masters by Research studies provides evidence that superannuation fund members' characteristics and return outcomes are heterogeneous. Therefore, ASIC's CP 351 proposals will not facilitate the provision of superannuation forecasts that are relevant to everyone if all members in an identical product have common assumptions for factors personal to the member.

3. Clarity is required into whether the current time-weighted cash-flow methodology is calculating the performance of the superannuation fund, rather than the individual member's superannuation benefit.

4. In collaboration with APRA, proper fulfilment of 'Cohort' analysis, as specified in SPS 515 Outcome Assessments, is needed to understand differences in the outcomes achieved by cohorts within a single product. These 'best practice' findings can point to more appropriate default assumptions in superannuation forecast tools.

5. In order to determine that superannuation forecast tools have not been misleading, a review of historical forecasts provided by superannuation funds since the relief was introduced is required, with current superannuation balances being used to assess whether the degree of accuracy is acceptable.

Recommendations

Retirement Estimates

1. Insurance premium indexation should correspond with the annual, or average of specified periods in aged-based premium tables as disclosed in superannuation funds Product Disclosure Statement (PDS). The premium tables disclosed in superannuation fund PDS provide accurate documentation on which to base estimates of the growth in insurance premiums for future years.

Superannuation Calculators

2. The proposed 'No Changes' for the insurance premium relevant factor for superannuation calculators (i.e., retention of 'Default assumptions must be reasonable'), fails to provide sufficient guidance to trustees to set defaults that are reflective of their memberships' experiences.

3. Superannuation funds to include instructions on how members can access or download their annual statement, accompanied with annotated graphics on the location of specific details (i.e., actual administration and insurance premiums). This will facilitate accurate member inputs into online superannuation calculators.

4. Superannuation trustees to undertake a review of their membership's insurance premiums and set the maximum input for the calculator above the maximum amount paid by any member. Alternatively, the maximum input restriction could be based on the maximum amount paid within age cohorts (e.g., using 10-year age bands).

5. Insurance premiums to be indexed in line with aged-based increases, as discussed in the retirement estimates section above.

Initial comment: competing relief intentions (simplicity versus accuracy):

I agree with ASIC's view that superannuation forecast tools have an important role in increasing member engagement with their retirement benefits, as specified in RG 000.106:

> RG 000.106   Although superannuation forecasts have some limitations and are likely to differ from what actually occurs, we think that these forecasts have a useful role to play. We think that the purpose of a superannuation forecast is not to give an exact prediction of a member's retirement balance or retirement income.

However, if the actual future experience of the member differs to what was calculated in a historical superannuation forecast, the trustees who provided the superannuation forecast are potentially engaging in misleading or deceptive conduct, as identified in in RG 000.33:

> RG 000.33   The prohibition on misleading or deceptive conduct applies regardless of whether or not forecasts are provided under our relief. However, whether a provider of a superannuation forecast is complying with the requirements of the relief in ASIC Instrument 2022/XXX is likely to be a factor taken into account by ASIC when considering action for misleading or deceptive conduct.

Acknowledging and addressing these competing intentions is important. While it should not be a barrier to producing cost-efficient, meaningful superannuation forecasts, ASIC's outcome for the CP 351 review should be to uphold accuracy via best practice defaults, rather than simplicity.

Research supporting submission:

As specified in proposal C4, this submission is underpinned by evidence from the research undertaken for my Masters by Research thesis. The interpretation and practical application of the research findings are supported by an expert knowledge of the superannuation environment developed over my 22-year financial planning career.

The motivation to undertake the research evolved from a finding in the final report of the Productivity Commission's inquiry, Superannuation: Assessing Efficiency and Competitiveness:

> Super has been a large and compulsory public policy endeavour, yet there is remarkably little publicly available data on the outcomes that individual members are actually experiencing — in terms of the returns they earn, the fees they pay, the insurance they hold and the outcomes they receive over time. (Productivity Commission 2018b, p. 27)

The aim of the study was to look more closely into this lack of transparency by calculating and analysing individual superannuation fund member's investment performance outcomes. While CP 315 states that superannuation forecast tools have inherent limitations and are not designed to be an accurate projection of a member's future benefit, knowing what members, or cohorts' actual outcomes are helps trustees to evaluate whether their forecast tools are misleading or not.

The literature review revealed that the treatment of cash-flows (contributions and withdrawals) when calculating investment performance is a critical element in understanding what impacts or influences individual member's actual outcomes.

There are two investment performance return calculation methods associated with the treatment of cash-flows, time-weighted and money-weighted rates of return. In comparing the difference between the two methodologies, Davies & Spaulding (2011) suggested that:

> Time-weighted returns are useful to compare investment managers and to understand how a manager performed. Money-weighted returns are useful to show investors how their money performed. (Davies & Spaulding 2011, p. 6)

The calculation method is also relevant to the construction of meaningful superannuation forecast tools.

ASIC (Superannuation Calculators and Retirement Estimates) Instrument 2022/XXX or its predecessor, ASIC Corporations (Generic Calculators) Instrument 2016/207 do not provide instructions on the treatment of cash-flows. However, the Moneysmart Superannuation Calculator (https://moneysmart.gov.au/how-super-works/superannuation-calculator) assumptions state that fees and insurance premiums will be 'charged annually (mid-year) to your account', indicating a time-weighted methodology.

My study used de-identified, confidential, member-level data (consisting of transaction dates and categorised amounts) and Microsoft Excel's 'eXtended Internal Rate of Return' (XIRR) formula to calculate a money-weighted personal rate of return for 53,770 members invested exclusively in the MySuper product of a single Registrable Superannuation Entity (RSE) between 1 July 2018 and 30 June 2019. As a result of the Protecting Your Super (PYS) legislation, members with an account balance below $6,000 were excluded from the study. Since all members in the study were invested in the same MySuper investment option, differences in personal rates of return were not attributable to variances in investment risk allocation.

Moreover, as the study accounted for the actual amount of investment returns credited to member accounts, it can be expected that all investment fees (both disclosed and non-disclosed) were deducted, thereby reflecting the MySuper products genuine cost.

Firstly, the analysis made explicit the dispersion of personal rates of return for members compared to the superannuation fund's MySuper Dashboard 'representative member' investment return.

Secondly, once the individual personal rates of return were calculated, the study was able to construct a multiple regression model to identify which of the account characteristics and specific transactions (cash-flows) had a statistically significant impact on the personal rates of returns achieved by individual members.

The research found that 84.2 per cent of the participating members received a personal rate of return below that of the time-weighted methodology MySuper Dashboard 'representative member' (of between 7.00% and 7.10% - the actual figure was not disclosed to ensure that the participating RSE remained anonymous). The mean XIRR for the study sample was 5.93%, while the median was 6.6%. The dispersion of XIRR results is displayed in the scatterplot in Figure 1:
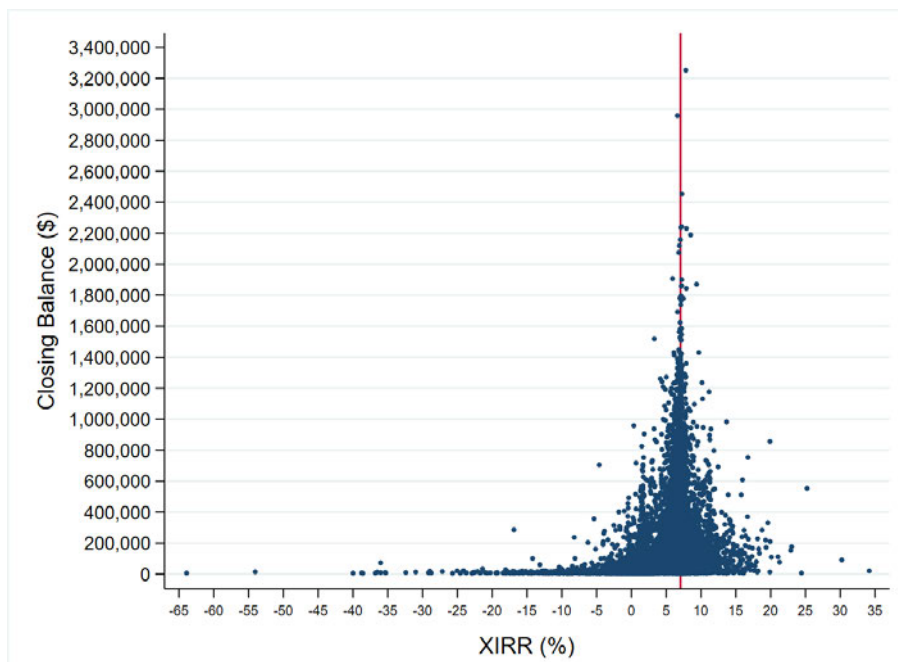

Figure 1: Scatterplot distribution of members XIRR, by closing account balance. The red line plots the MySuper Dashboard 'representative member' investment return.

Ordinary Least Squares (OLS) Regression analysis identified that higher opening account balances, not paying insurance premiums, and more frequent contributions had a statistically significant positive effect on personal rates of return. Being female, paying insurance premiums, having a higher salary, receiving less frequent SGC, and Hardship payments had a statistically significant negative effect on personal rates of return.

The findings also highlighted the significance that insurance premium payments have on personal rates of return. As shown in Figure 2, for members in the 'with insurance' policy cohort, the median XIRR for the $6,000 to $10,000 closing account balance group was approximately 30% of the MySuper Dashboard 'representative member' investment return. This increases to approximately 96% for members with a closing account balance above $100,000:
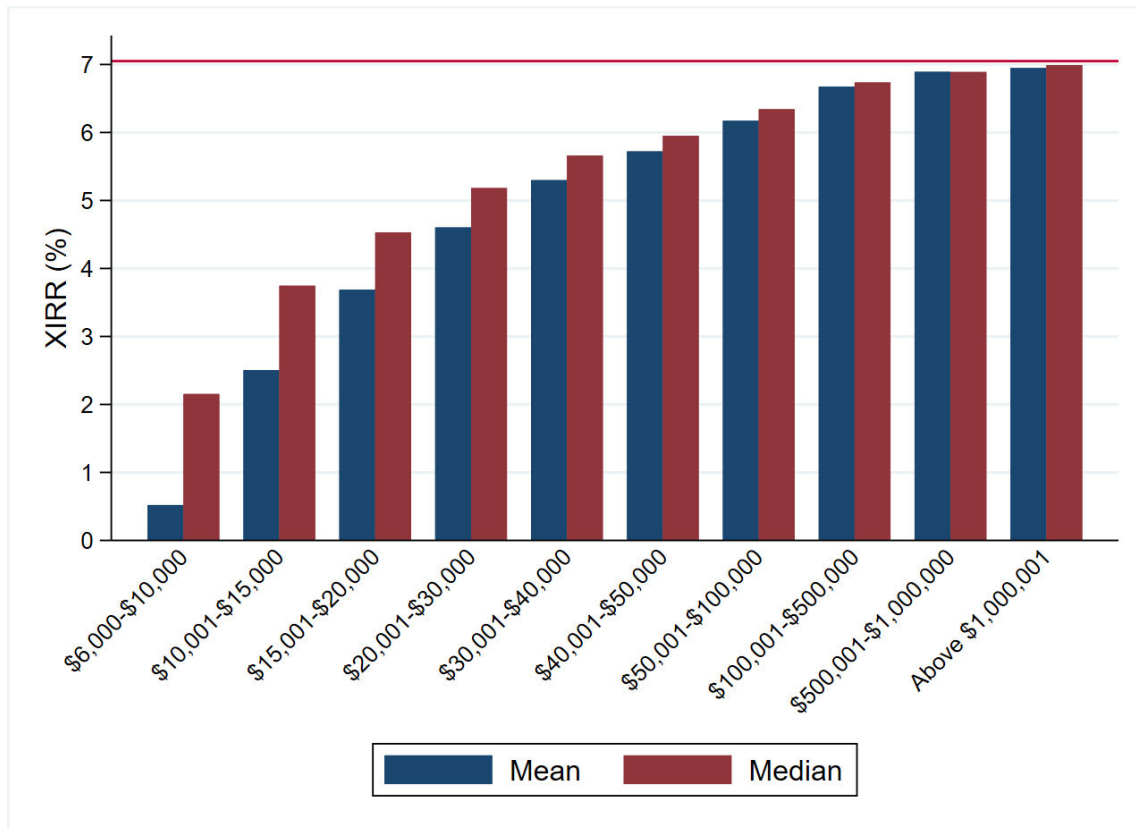

Figure 2: Mean and median XIRR for members with insurance, by closing account balance groups. The red line plots the MySuper Dashboard 'representative member' investment return.

The limitations of the analysis are acknowledged, important amongst which was the participation of a single superannuation fund. In this regard, it would be necessary and important to expand the sample with data sourced from more superannuation funds to determine if the variance in investment return outcomes noted in this study could be generalised. Additionally, a single financial year study period does not identify how individual members progress through the superannuation financial life cycle given account characteristics, such as growth in account balance, age, or participation in the workforce (entering or leaving).

Focus of submission:

This submission is focused on insurance premium assumptions.

CP 351 Proposal

C13   For retirement estimates, we propose to continue to require that insurance premiums paid by the member in the previous year be deducted from the amount of superannuation contributions.

CONSULTATION PAPER 351 – Appendix: Summary of current and proposed requirements under our relief

Relevant factor	Superannuation calculators	Retirement estimates
	Table 2	Table 3
Insurance premiums	**Current:** The default assumptions must be reasonable for the purpose of working out the calculation	**Current:** The trustee must use the actual amount of insurance premiums paid by the member over the previous 12 months: see RG 229.56
	Proposed: No change	**Proposed:** The trustee must make reasonable assumptions about insurance premiums based on the actual amount of insurance premiums paid by the member over the previous year. **Rationale:** 103 We think that annual insurance premiums paid in the previous year are likely to provide the best available estimate of future insurance premiums, **even though premiums are likely to change for most members as they get older** (e.g., due to changes in the unit cost of insurance or the level of cover).
Inflation of Premiums	RG 000.151 (RG 000.150) requirements do not apply to superannuation calculators. However, the default assumptions used in a superannuation calculator must be reasonable.	RG 000.150 ASIC Instrument 2022/XXX requires trustees to make specific default assumptions about… insurance premiums … when working out a retirement estimate. RG 000.159 Trustees must assume that insurance premiums increase by the rate of wage inflation over time. RG 000.163 The inflation assumptions are 4.0% p.a. for the time the member is in the accumulation phase ***Moneysmart Example:*** In 'Advanced settings' you can enter the insurance premiums that are charged annually to your account. We assume the same amount (in today's dollars) will be deducted in future years until retirement. https://moneysmart.gov.au/how-super-works/superannuation-calculator

> **C13Q1 Are there other ways in which future insurance premiums could be taken into account in working out retirement estimates?**

Rising insurance premiums for group life insurance policies held by superannuation funds is well documented.

On 9th March 2021, Ms Helen Rowell, Deputy Chair of The Australian Prudential Regulation Authority (APRA) wrote to all Registrable Superannuation Entity (RSE) Licensees and group life insurance Chief Executive Officers, titled 'SUSTAINABILITY OF LIFE INSURANCE IN SUPERANNUATION'. The letter outlined "a re-emergence of some concerning developments in group life insurance, including its alarm at premium volatility".

Specifically, Ms Rowell refers to Life Insurance Claims and Disputes Statistics submitted to APRA during 2020, illustrating that insurance premiums per insured member have been escalating because of a deterioration in the life insurance claims experience, and consequent unprecedented losses for insurers. APRA's primary concern is a repeat of similar experiences during the period between 2012 and 2016, when insurers also experienced significant losses, resulting in large premium increases.

KPMG's Life Insurance Insights 2021 (released on 14 October 2021), provides the following analysis and insights based on financial results up to 30 June 2021 for the Australian group life insurance market:

> **Protect Your Super (PYS) and Putting Member's Interest First (PMIF):**
> The financial results during the first half of 2021 generated a more positive outlook for the coming year, with losses reducing from the prior year. This reflects repricing activities across the market as well as the step change in claims costs that occurred in 2020 resulting from PYS and PMIF regulatory changes. ***The long-term claims outlook remains uncertain with respect to the extent of anti-selective outcomes arising from the opt-in changes for members under 25***
> Source: https://home.kpmg/au/en/home/insights/2021/10/life-insurance-insights.html

To understand the actual insurance premium growth rate for group life insurance within superannuation funds, an analysis has been undertaken of three separate superannuation funds in Table 1 below. Each of the selected superannuation funds utilise different external group life insurers. For comparison purposes, the insurance premiums for each superannuation fund have been standardised to an identical amount of cover per unit.

	AustralianSuper	smartMonday | PRIME by AON	Statewide Super
Insurer	**TAL**	**AIA**	**MetLife**
Disclosure document	Insurance in your Super – Effective 3 September 2021	Reference guide Insurance – Prepared 1 June 2021	Insurance in your super – Dated 1 November 2021
Income Protection			
Reference	Page 16	Page 19	Page 11
Work rating	Blue Collar	Blue Collar	Professional
Benefit Period / Waiting Period	Waiting Period: 60 days / Benefit Period: up to 2 years	Waiting Period: 60 days, Benefit Period: 2 years	Waiting Period: 60 days, Benefit Period: 2 years
Cover amount	Weekly premium per $100 a month of insured benefit	Annual premium per $100 of monthly benefit	Weekly premium per $500 a month of insured benefit
Death & TPD (Fixed)			
Reference	Page 18	Page 8	Death page 28 (table 5) TPD page 29 (table 6)
Work rating	Professional	Blue Collar	Professional
Cover amount	Weekly premium per $10,000 of insured benefit	Annual premium per $1,000 of insured benefit	Annual premium per $1,000 of insured benefit

Table 1: Summary of superannuation funds Product Disclosure Statements (PDS)
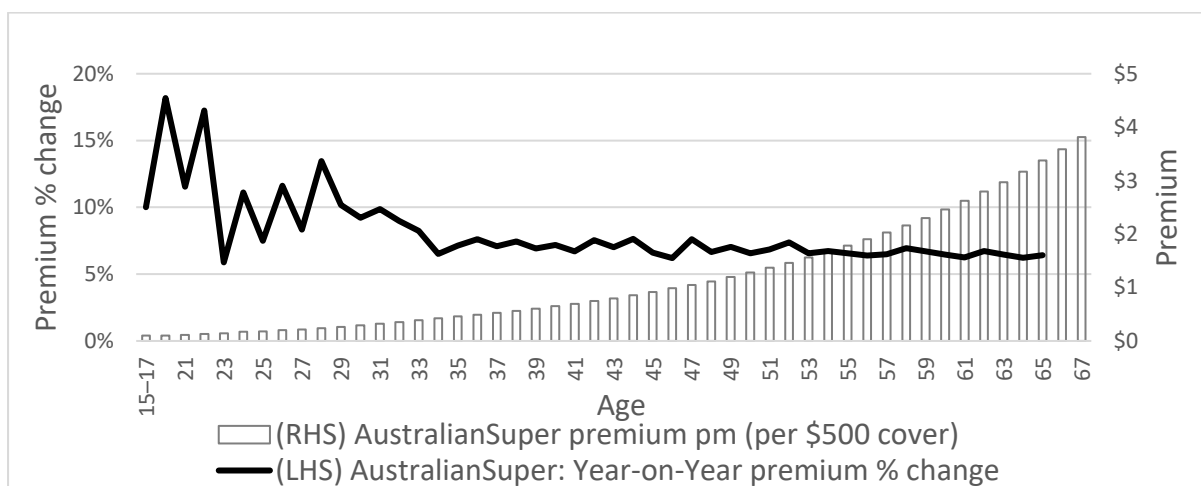

Income Protection insurance analysis

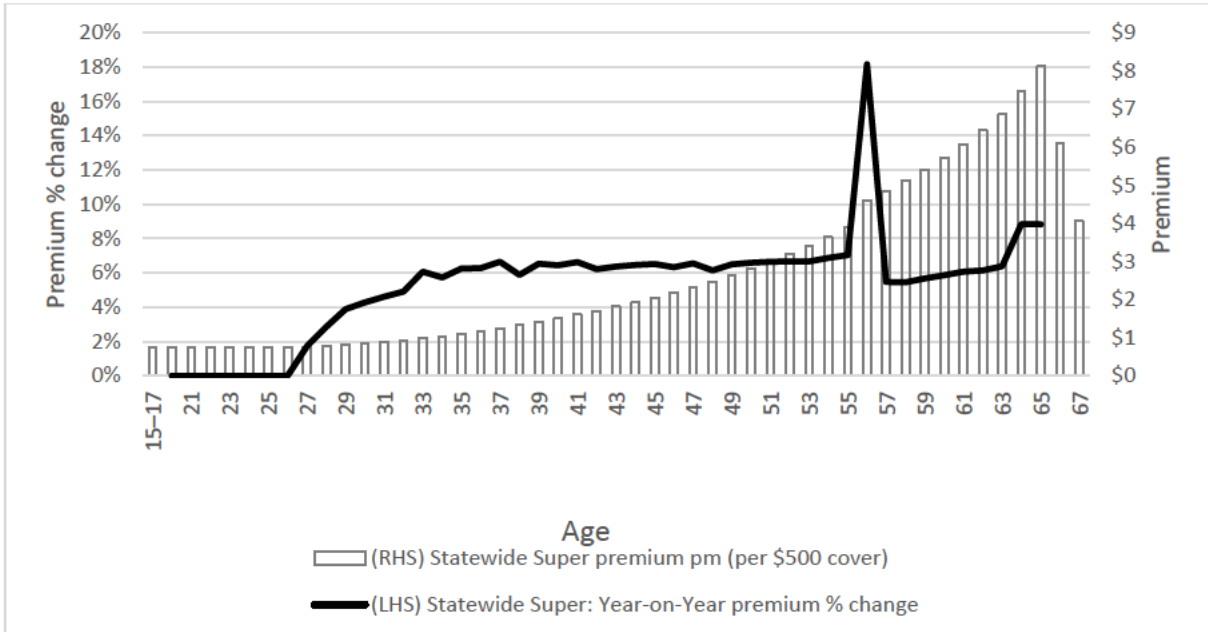**Figure 3: AustralianSuper Income Protection insurance premium analysis**

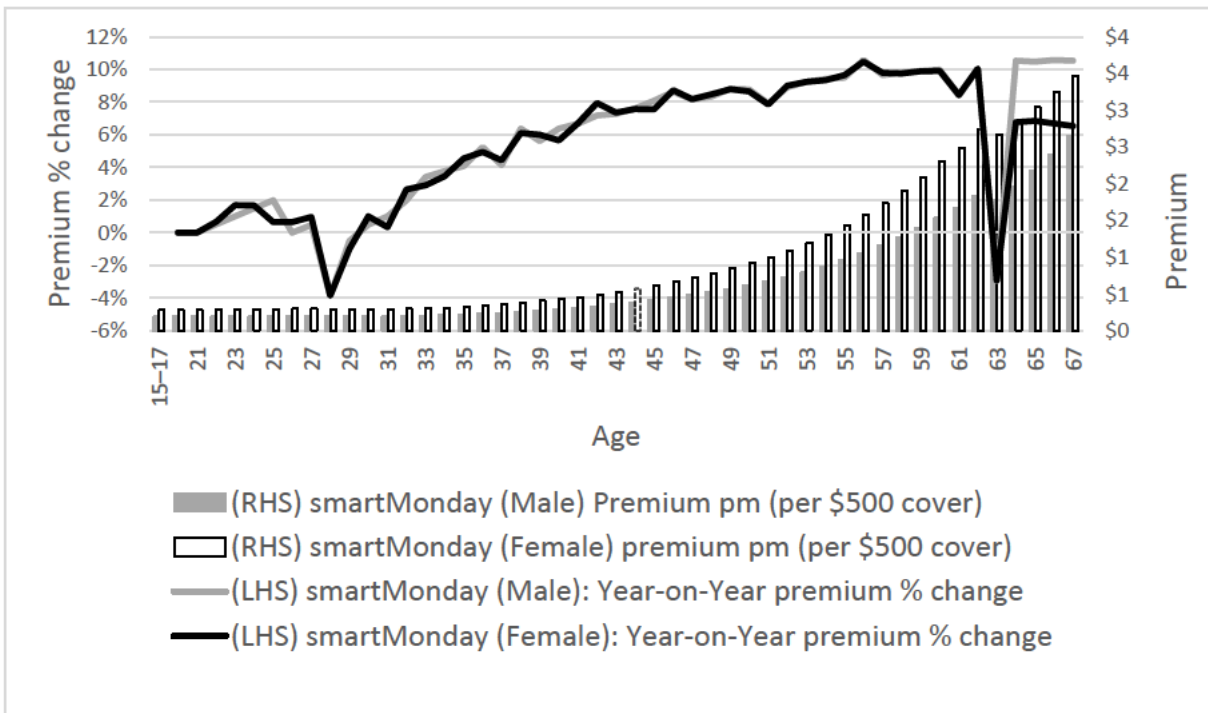**Figure 4: Statewide Super Income Protection insurance premium analysis**

Figure 5: smartMonday Super Income Protection insurance premium analysis

	Age range 16-49 Average % Change	Age range 50- 67 Average % Change	All ages Average % Change
AustralianSuper	9%	7%	8%
Statewide Super	6%	7%	6%
smartMonday (Male)	4%	9%	6%
smartMonday (Female)	4%	8%	6%

Table 2: Summary of age range and all ages, average year-on-year Income Protection insurance premium percentage change
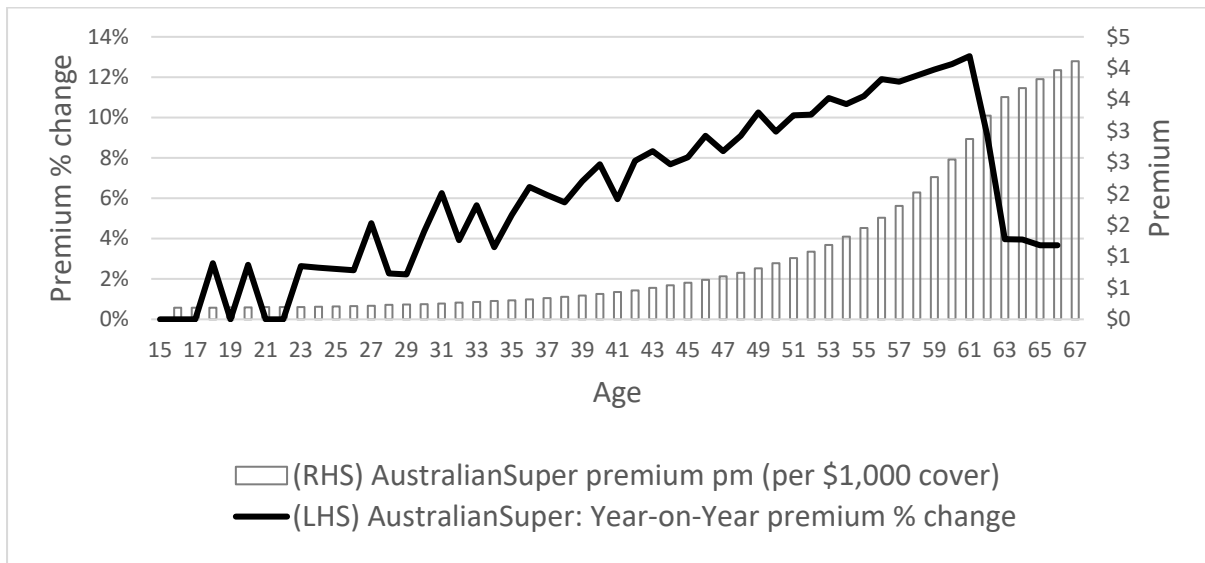
Death insurance analysis

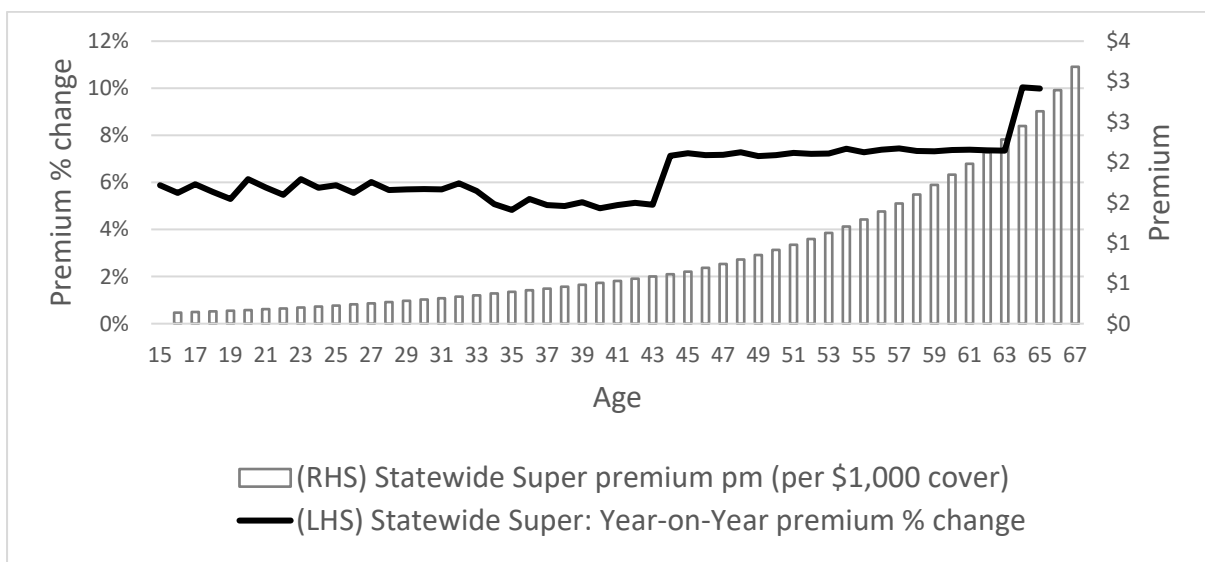Figure 6: AustralianSuper death insurance premium analysis

Figure 7: Statewide Super death insurance premium analysis

Figure 8: Statewide Super death insurance premium analysis

	Age 16-49 Average % Change	Age 50- 67 Average % Change	All ages Average % Change
AustralianSuper	4%	10%	6%
Statewide Super	6%	8%	6%
smartMonday	8%	16%	11%

Table 3: Summary of age range and all ages, average year-on-year Death insurance premium percentage change

Total & Permanent Disablement (TPD) insurance analysis
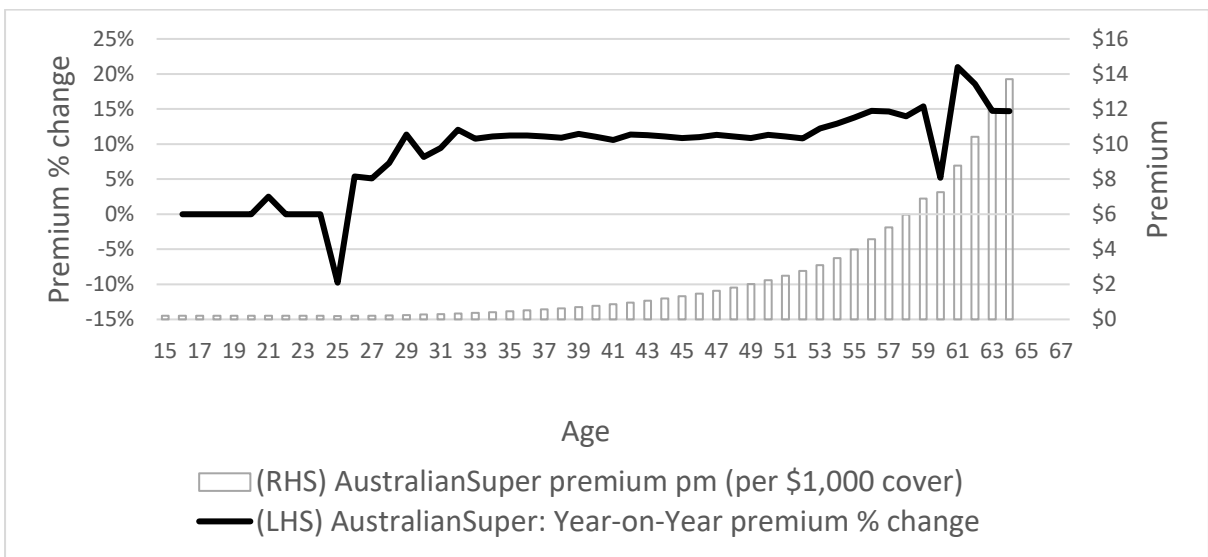
Figure 9: AustralianSuper TPD insurance premium analysis

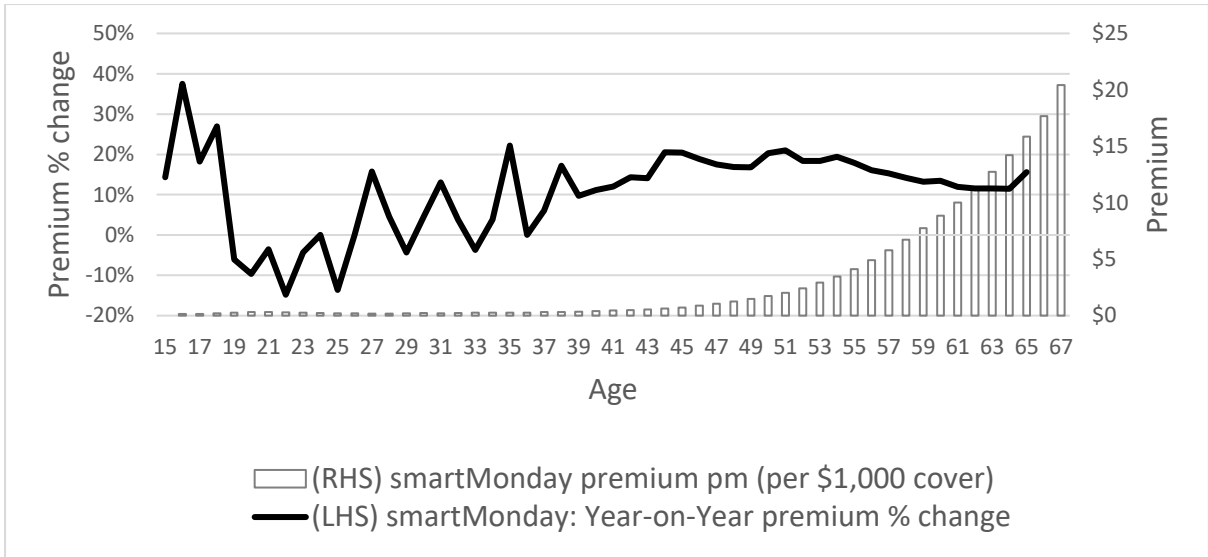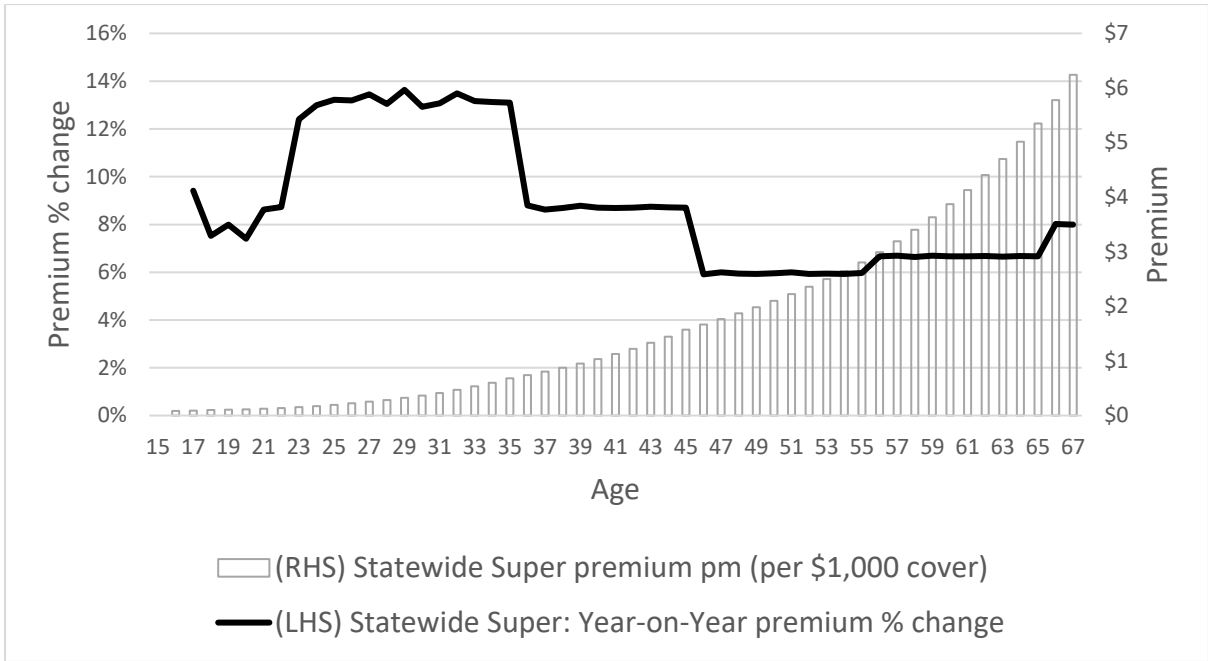**Figure 10: Statewide Super TPD insurance premium analysis**

Figure 11: smart Monday TPD insurance premium analysis

	Age 16-49 Average % Change	Age 50- 67 Average % Change	All ages Average % Change
AustralianSuper	7%	14%	9%
Statewide Super	10%	7%	9%
smartMonday	8%	16%	11%

Table 4: Summary of age range and all ages, average year-on-year TPD insurance premium percentage change
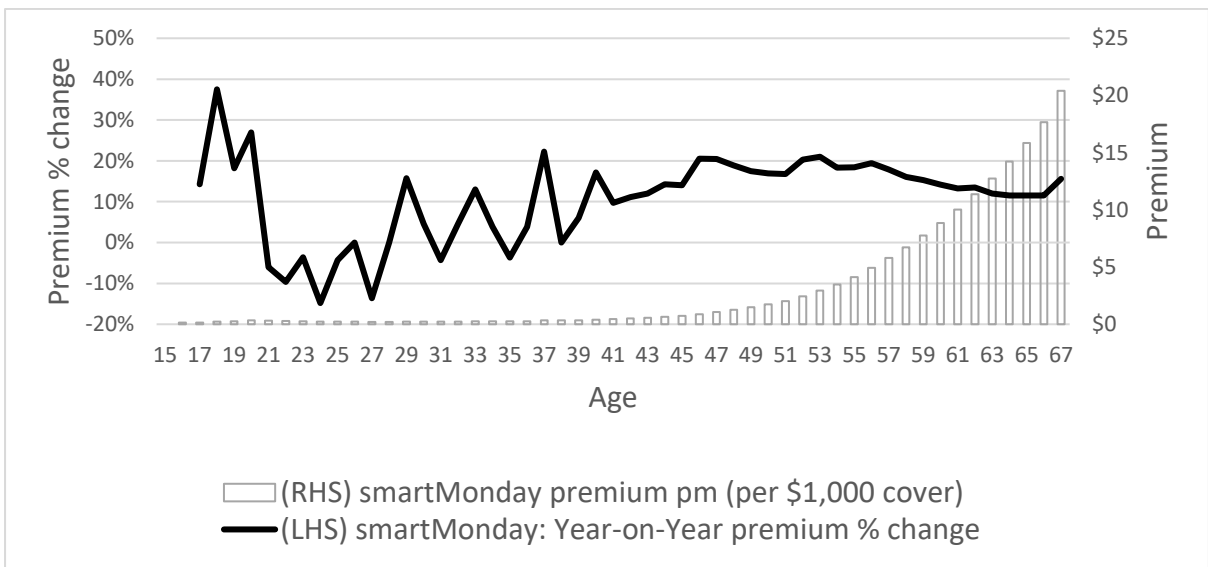
Case Study: Projection of static versus actual PDS quoted insurance premiums

Table 5 below shows a case study of the difference in forecast super benefits, using the AustralianSuper super projection calculator investment return, fees, and insurance assumptions. The Product Disclosure Statement (PDS) aged-based insurance premiums' year-on-year percentage changes are listed in the Appendix.

Starting Age	30	
Opening Super Balance	$30,000	
Annual Salary (maintained in today's dollars)	$56,000	
Super Guarantee Contribution (SGC) Rate	10%	
Net SG Contribution per annum	$4,760	
Weekly admin fee $2.25	$117	
Asset based fee (no cap)	0.04%	
Investment Return (High), net of fees	3%	
Year 1 Insurance Premiums	$210	
Insurance Premium indexation	Static (maintained in today's dollars)	As per PDS aged-based premium table
Comprised of:		
Death & TPD Insurance	$200,000	
Income Protection insurance	35 x $100 Units ($56,000 x 75% / 12 months = $3,500)	

Table 5: Case study – superannuation projection variable inputs

As shown in Figure 12, when the insurance premiums remain static, the forecast account balance at age 65 is app approximately $365,000. However, when the insurance premiums are changed in accordance with the PDS aged-based premium table, the projected balance at age 65 falls to approximately $315,000. This represents a $50,000, or approximately 15% difference in forecast superannuation benefit amount:
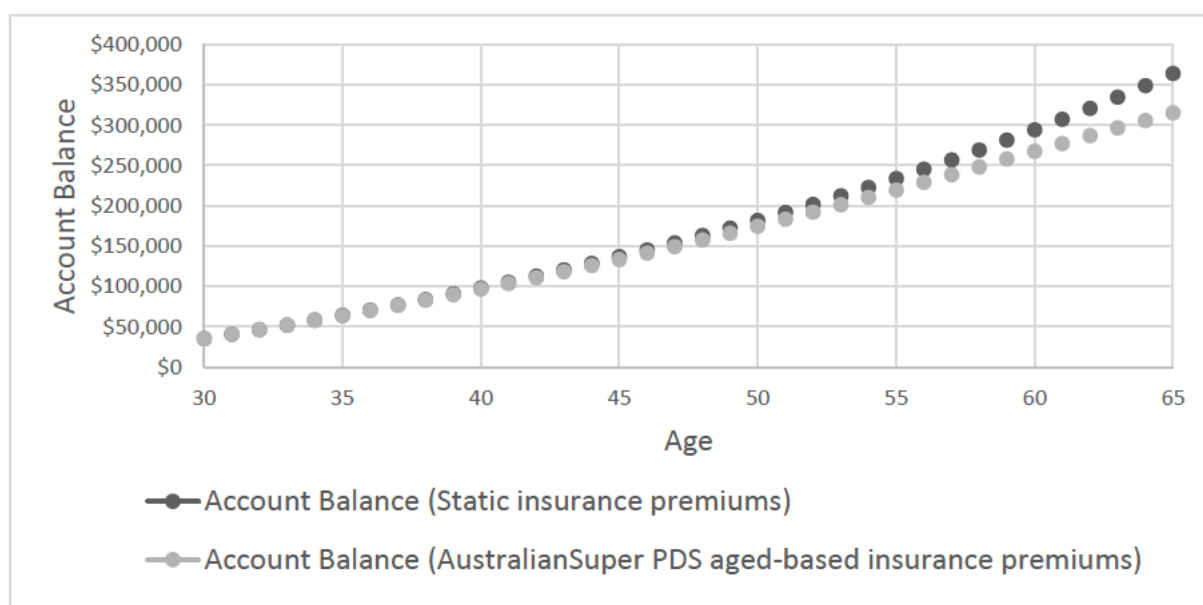

Figure 12: Case study projection analysis, static versus PDS aged-based premiums

The volatility in year-on-year percentage premium changes under the age of 50 is primarily a result of the per unit cost of cover starting from a low base. However, the percentage changes generally smooth out after this age.

As foregrounded in these Figures and Tables, actual insurance premium increases are generally not linear. The limited sample of three superannuation funds PDS's reveal that actual insurance premium increases are up to three times above the legislated four per-cent rate of wage inflation methodology. Therefore, retirement estimates calculated on the basis that the amount of insurance premiums paid in the previous year remains constant until retirement will underestimate the cumulative amount of insurance premiums deducted from the member's superannuation benefit, ultimately overestimating the forecasted superannuation balance.

On this basis, my submission recommends that superannuation trustees undertake an analysis of the insurance premium tables contained within their Product Disclosure Statements to determine the actual year-on-year percentage change. Trustees could then base their assumed insurance premium indexation rate on the actual growth rate, or average growth rate of actual insurance premiums.

Additional comment: Superannuation calculators

It is noted that CP 351 does not propose any changes to insurance premium factors for superannuation calculators.

RG 000.111   We think the requirements for setting assumptions need to be stricter for retirement estimates than for superannuation calculators. This is because a retirement estimate contains personalised information and is usually provided to a member without the member having to request it (i.e., the estimate is unsolicited by the member).
By contrast, a member needs to actively choose to use a superannuation calculator, **and the inputs and assumptions can be <u>freely</u> manipulated based on a generic starting position**.

ASIC's declaration in RG 000.111 that the assumptions for one forecasting tool is required to be stricter compared to another tool would appear to disregard the overriding requirement not to mislead, as specified in RG167.69:

RG 167.69   Generic financial calculators have the potential to mislead consumers if they are not designed responsibly. The conditions of our relief seek to ensure that these calculators are designed responsibly, and the information provided is useful and accurate.

CP 315 does not detail why there have not been proposals to change the insurance premium factors in superannuation calculators.

ASIC Instrument 2022/XXX merely states that the default assumptions in superannuation calculators must be reasonable for the purpose of working out the calculation. More direction is provided in ASIC Regulatory Guide 167 – Licensing: Discretionary powers (June 2019). Where Table 1: Overview of the conditions of our relief, states that "the assumptions applied by the generic financial calculator, unless changed by the user, must be reasonable for the purpose of working out the estimate."

The accuracy of superannuation calculators is, therefore, a combination of and balance between superannuation funds setting appropriately realistic default assumptions and individuals inputting adjustments to reflect their personal circumstances.

However, as noted in RG 000.108, the role of the member in superannuation calculators should not be overemphasised. Professional experience with clients indicates that many would lack the knowledge of, or ability to obtain, an appropriate set of inputs to accurately reflect their personal situation for entry into the calculator.

RG 000.108   Even where a member can change the assumptions, the behavioural economics research suggests that default settings are powerful, and members are reluctant to change them.

This is also backed by the Productivity Commission draft report, Superannuation: Assessing efficiency and competitiveness, dated April 2018, and released 29 May 2018, which included a survey of superannuation members which found that 24% of members did not know if they had insurance, and 16% did not know what insurance they had.

On this basis, this submission includes a review of a sample of superannuation calculators.

Below is a summary of the default insurance premium assumptions used by the superannuation funds listed. It states if the user can change the amount of insurance premium paid, and if there is a restriction on the maximum amount of insurance premiums that can be entered:

moneysmart.gov.au
A default insurance premium assumption of $214 will be charged mid-year on average and will increase with inflation each year
'Advanced settings': maximum premium allowed is $10,000 pa

Research study participating super fund (anonymous)
Insurance premiums (per annum) $650.00
'Settings': no maximum annual premium restriction

Rest Super
Insurance premiums (per annum) $0.00
'Edit Assumptions': maximum premium allowed is $500 pa

UniSuper
Insurance premiums are defaulted at $96.20 (per annum).
'Settings': no maximum annual premium restriction

BT
Insurance premiums (per annum) $214 (referencing moneysmart)
'Edit Assumptions': maximum premium allowed is $500 pa

Colonial First State
Insurance premiums (per annum) $214 (referencing moneysmart)
'Other assumptions': no maximum annual premium restriction

AustralianSuper
Insurance premiums are set at $550 (per annum).
'Edit Assumptions': maximum premium allowed is $1,000 pa

RG 000.179   Under ASIC Instrument 2022/XXX, providers must include clear and prominent statements about:
(a) why the provider considers the assumptions (unless inputted or changed by the user) to be reasonable for working out the calculation or estimate;

Moneysmart's assumption of annual insurance premiums of $214 (indexed to Average Weekly Earnings (AWE) is sourced from Treasury's dynamic microsimulation Model of Australian Retirement Incomes and Assets (MARIA), disclosed in the Information Note titled 'Accumulation of superannuation across a lifetime'. The Information Note does not provide the granular data used in the model. It merely states that 'insurance assumptions are based on historical data'.
Source: https://research.treasury.gov.au/sites/research.treasury.gov.au/files/2019-11/Accumulation%20of%20superannuation%20across%20a%20lifetime.pdf

As indicated in the summary above, only some of the calculators refer to the moneysmart.com.au calculator regarding the setting of default insurance premium assumptions. The other calculators did not offer justification for their settings.

RG 000.181   ASIC Instrument 2022/XXX does not require providers to ensure that any assumptions that are inputted or changed by the user are reasonable for the purposes of working out a calculation or estimate. However, to minimise the risk of unrealistic or unhelpful results, providers may consider whether to **place limits or restrictions on the range of values that a user may input** into a superannuation calculator or interactive retirement estimate, **as long as the user is still able to change the assumptions**.

As also shown in the above summary, some funds have used RG 000.181 to restrict the amount of insurance premiums that can be assumed in the superannuation calculator. However, as discussed below, superannuation funds could be restricting the maximum input amount allowed, even though members may have insurance premiums exceeding this maximum amount.

While the MARIA model and the data used is not publicly available, my Masters by Research study included granular data for 53,800 members in a single superannuation fund. Whilst this study population is limited, it does provide an insight into the demographics and corresponding amounts of insurance premium paid by actual members:

Age Group:	Insurance Held				Study Population		Only members who hold an insurance policy		
	Yes	No	Total		Mean	Median	Mean	Median	Maximum
14-24	2,303	135	2,438		$431.68	$462.89	$454.11	$465.95	$1,189.48
25-29	3,706	268	3,974		$482.91	$526.20	$515.84	$528.44	$1,510.14
30-34	4,970	353	5,323		$501.09	$526.48	$535.26	$531.76	$1,638.59
35-39	5,727	442	6,169		$483.83	$480.53	$519.54	$491.85	$2,097.97
40-44	6,402	640	7,042		$561.20	$544.04	$615.36	$580.12	$4,215.39
45-49	7,335	805	8,140		$681.08	$664.24	$754.01	$700.45	$4,641.91
50-54	6,789	817	7,606		$827.43	$807.55	$923.65	$855.90	$10,166.87
55-59	5,712	1,019	6,731		$931.48	$954.56	$1,083.81	$1,037.48	$9,083.14
60-64	2,704	1,746	4,450		$842.89	$484.52	$1,298.42	$1,261.91	$11,642.79
66-69	0	2,023	2,023						
Total	45,648	8,248	53,896	All ages	$625.78	$542.71	$745.61	$617.76	

Table 6: Case study variable inputs
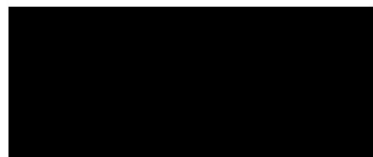
My review of superannuation calculators concludes that the variance in default assumptions between calculators, alongside a reliance on member input, and input restrictions placed by superannuation trustees in combination disallow these calculators from producing accurate results.

Accordingly, I recommend that ASIC undertakes a review of insurance factors within superannuation calculators to facilitate best practice over simplicity.

Final comments:

I appreciate your consideration of this submission and hope that I have provided sufficient detail for your serious consideration of the ramifications of the proposed elements in CP 351 Superannuation forecasts: Update to relief and guidance.

Regards

Mark Bastiaans

Appendix

Source: AustralianSuper Insurance in your Super. Effective 3 September 2021. Page 18

The cost of Death and TPD cover

How much you'll pay for Death and TPD cover depends on your age, individual work rating and cover amounts.

Weekly cost (in dollars) for $10,000 of Death and TPD cover
Use the costs below to calculate the total cost of your cover (age-based, age-based + extra (fixed) or fixed cover).

	Work Rating: Professional			
	Death		**TPD**	
Age	**Cost per Unit**	**YoY % change**	**Cost per Unit**	**YoY % change**
15–18	$0.036	-	$0.040	-
19–20	$0.037	2.8%	$0.040	0.0%
21	$0.038	2.7%	$0.041	2.5%
22	$0.038	0.0%	$0.041	0.0%
23	$0.038	0.0%	$0.041	0.0%
24	$0.039	2.6%	$0.041	0.0%
25	$0.040	2.6%	$0.037	-9.8%
26	$0.041	2.5%	$0.039	5.4%
27	$0.042	2.4%	$0.041	5.1%
28	$0.044	4.8%	$0.044	7.3%
29	$0.045	2.3%	$0.049	11.4%
30	$0.046	2.2%	$0.053	8.2%
31	$0.048	4.3%	$0.058	9.4%
32	$0.051	6.2%	$0.065	12.1%
33	$0.053	3.9%	$0.072	10.8%
34	$0.056	5.7%	$0.080	11.1%
35	$0.058	3.6%	$0.089	11.3%
36	$0.061	5.2%	$0.099	11.2%
37	$0.065	6.6%	$0.110	11.1%
38	$0.069	6.2%	$0.122	10.9%
39	$0.073	5.8%	$0.136	11.5%
40	$0.078	6.8%	$0.151	11.0%
41	$0.084	7.7%	$0.167	10.6%
42	$0.089	6.0%	$0.186	11.4%
43	$0.096	7.9%	$0.207	11.3%
44	$0.104	8.3%	$0.230	11.1%
45	$0.112	7.7%	$0.255	10.9%
46	$0.121	8.0%	$0.283	11.0%
47	$0.132	9.1%	$0.315	11.3%
48	$0.143	8.3%	$0.350	11.1%
49	$0.156	9.1%	$0.388	10.9%
50	$0.172	10.3%	$0.432	11.3%
51	$0.188	9.3%	$0.480	11.1%
52	$0.207	10.1%	$0.532	10.8%
53	$0.228	10.1%	$0.597	12.2%

54	$0.253	11.0%	$0.674	12.9%
55	$0.280	10.7%	$0.767	13.8%
56	$0.311	11.1%	$0.880	14.7%
57	$0.348	11.9%	$1.009	14.7%
58	$0.389	11.8%	$1.150	14.0%
59	$0.436	12.1%	$1.327	15.4%
60	$0.490	12.4%	$1.396	5.2%
61	$0.552	12.7%	$1.689	21.0%
62	$0.624	13.0%	$2.003	18.6%
63	$0.681	9.1%	$2.298	14.7%
64	$0.708	4.0%	$2.636	14.7%

Source: AustralianSuper Insurance in your Super. Effective 3 September 2021. Page 16

Income Protection

Income Protection can help if you become ill or injured (at any time) and can't work temporarily[‡]. It can provide monthly payments to help you get by while you're not earning your regular salary. We offer benefit payment periods of up to: two years, five years or age 65. Benefits are paid monthly in arrears.

› Is available from age 15 up to age 70.
› You can apply for age-based or fixed cover.
› The amount you can apply for is limited to the lower amount of $30,000 a month, or 85% of your monthly (before-tax) salary, excluding employer super contributions.
› Your benefit payment period is up to two years. You can apply for a longer payment period which will cost more (see page 16 for costs) and will require more detailed health information for the Insurer to consider.
› Your waiting period is 60 days. You can change it to 30 days (see page 25 for details). A shorter waiting period will cost more (see page 16 for costs).

Work Rating: Blue Collar, Waiting Period: 60 days, Benefit Period: Up to 2 years

Age	Cost per $100 pm	YoY % change
15–17	$0.020	-
18–20	$0.020	0.00%
21	$0.022	10.00%
22	$0.026	18.18%
23	$0.029	11.54%
24	$0.034	17.24%
25	$0.036	5.88%
26	$0.040	11.11%
27	$0.043	7.50%
28	$0.048	11.63%
29	$0.052	8.33%
30	$0.059	13.46%
31	$0.065	10.17%
32	$0.071	9.23%
33	$0.078	9.86%
34	$0.085	8.97%
35	$0.092	8.24%

36	$0.098	6.52%
37	$0.105	7.14%
38	$0.113	7.62%
39	$0.121	7.08%
40	$0.130	7.44%
41	$0.139	6.92%
42	$0.149	7.19%
43	$0.159	6.71%
44	$0.171	7.55%
45	$0.183	7.02%
46	$0.197	7.65%
47	$0.210	6.60%
48	$0.223	6.19%
49	$0.240	7.62%
50	$0.256	6.67%
51	$0.274	7.03%
52	$0.292	6.57%
53	$0.312	6.85%
54	$0.335	7.37%
55	$ 0.357	6.57%
56	$0.381	6.72%
57	$0.406	6.56%
58	$0.432	6.40%
59	$0.460	6.48%
60	$0.492	6.96%
61	$0.525	6.71%
62	$0.559	6.48%
63	$0.594	6.26%
64	$0.634	6.73%