



Significant Event Notice.

For members of the Hostplus Superannuation and Personal Super Plan

22 June 2020

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i Significant Event Notices are important updates relating to the operation of Hostplus which may impact your investment and related services. Please take the time to read through the important information provided.

For Hostplus updates on COVID-19 visit hostplus.com.au/2020updates

Putting Members' Interests First legislation applies from 1 April 2020

The Putting Members' Interests First legislation aims to ensure members aren't paying for insurance they may have forgotten about, and don't need, and that premiums don't inappropriately erode their retirement savings.

Under the new laws introduced by the Federal Government, on and from 1 April 2020, super funds cannot provide insurance on accounts for members which have never had a balance of \$6,000 or more on or after 1 November 2019, or where the member is under 25 years of age and joined the Fund (ie. Hostplus) on or after 1 April 2020. This is unless specific instructions to 'opt in' despite this, are received from the account holder, or an exception applies. For information about these changes, please visit hostplus.com.au/insurance/important-changes/pmif/faq

Changes that may affect your Hostplus insurance

Hostplus has made the following changes to our insurance arrangements, both as product enhancements and in response to legislative changes.

These changes are described in summary only and further information is available at pds.hostplus.com.au/8-insurance-in-your-super

For a description of the bolded terms (where not otherwise defined below) see **8.13 Definitions** and **8.16.28 Non-default Salary Continuance cover definitions** at pds.hostplus.com.au/8-insurance-in-your-super

Changes to eligibility for Automatic Death and Total & Permanent Disability (TPD) insurance cover for Industry and Personal Super Plan Members (Default cover).

Generally, Industry members joining Hostplus through a **Participating Registered Hostplus Employer, (Participating Employer)** and Personal Super Plan Members joining directly, can receive automatic unitised Death and TPD insurance cover.

To be eligible for automatic insurance cover, you must:

- be an Eligible Person
- not already have insurance under Hostplus
- not have previously held automatic insurance cover on the same account,
- not be inactive*.

From 1 April 2020

If you meet the above eligibility criteria, your automatic insurance will commence when you first meet the following criteria as required under the Putting Members' Interests First legislation:

- You are aged at least 25 years, if you joined the Fund on or after 1 April 2020; and
- Your account in Hostplus has had a balance of at least \$6,000 on or after 1 November 2019.

*A member's account is considered inactive (for the purposes of insurance) if we have not received a contribution or rollover into that account for a continuous period of 16 months and you have not made a written request or positive election to be provided with cover even where your account becomes inactive.

Prior to meeting the above criteria, you can also Opt-in to have automatic insurance cover for the first time (subject to terms, conditions and eligibility requirements).

When your Death and TPD insurance cover ends

From 1 April 2020

The following conditions were added to when your Death and TPD insurance cover will cease.

For Members who joined Hostplus prior to 1 April 2020, your cover will cease at midnight on 31 March 2020 if, as at 31 March 2020 you are:

- a Low Balance Member; and
- not an Exempt Person.

If your Default Death and Total & Permanent Disability (TPD) is Restricted Cover

From 1 April 2020

If you do not meet the requirements for **Full Cover**, your automatic insurance cover may be **Restricted Cover** which will not cover **Pre-existing Conditions** for 24 consecutive months. **Pre-existing Conditions** are an illness, injury, condition or related symptom which you were aware of or reasonably should have been aware of within the 2 years prior to your cover commencing.

Restricted Cover will be replaced with **Full Cover** after 24 months provided you are **Actively Employed** for the last 30 consecutive days of the 24 month period. If you are not **Actively Employed** for the entire 30 day period, **Restricted Cover** will continue until you have been **Actively Employed** for 30 consecutive days.

For **Full Cover** from the **Cover Commencement Date**, you must satisfy all the following requirements:

- We must receive an employer contribution into your account or you must commence employment with a **Participating Employer**, within 120 consecutive days immediately prior to the **Cover Commencement Date**;
- You must be in **Active Employment** for the first 30 consecutive days from the **Cover Commencement Date**;
- Within 6 months immediately prior to the **Cover Commencement Date** you:
 - have not been diagnosed with or experiencing symptoms of, are not seeking medical opinion for or under investigation and have not been advised to undergo investigations for, a Degenerative Condition; and
 - have not been absent from work or been on restricted duties or hours for more than 7 consecutive working days due to illness or injury.

For further information see **8.3 When your Default Cover is Restricted Cover – Death and Total & Permanent Disability (TPD)** at pds.hostplus.com.au/8-insurance-in-your-super

Changes to the Special insurance offer on joining for new members

If you are a new insured member aged under 65 you have a once off opportunity to increase your default Death and TPD insurance cover, apply for fixed benefit Death and Total & Permanent Disability cover and apply for Salary Continuance insurance cover. Eligibility criteria and cover limits apply. Acceptance will remain subject to your application being approved by the insurer.

From 1 April 2020

To take up the special offer, you must apply within 60 days after the date the Hostplus Welcome Letter is issued to you.

You can apply for the special offer via Member Online at hostplus.com.au if you **Opt-in** to automatic death and TPD cover within 60 days of the date the Hostplus Welcome Letter is issued to you.

For further information see **8.4 Special insurance offer** at pds.hostplus.com.au/8-insurance-in-your-super

Recommencement of Cover – insufficient account balance, inactive accounts and low balance members

From 1 April 2020

If your cover has ceased for either/or insufficient account balance, inactive accounts or low balance, it may in certain circumstances recommence. On recommencement, cover could be **Full Cover** or **Restricted Cover**, depending on your circumstances.

To understand how any of these circumstances may affect you, see the table in **8.8.10 If your cover starts again (Death and TPD)** in the Hostplus PDS Additional Information at pds.hostplus.com.au/8-insurance-in-your-super

Changes to insurance definitions

The following are changes to Hostplus insurance definitions.

From 1 April 2020

These are new definitions added to Hostplus insurance:

- **Active Employment or Actively Employed**
- **Degenerative Condition**
- **Excluded Member**
- **Exempt Person**
- **Low Balance Member**
- **Opt-in**

These are changed definitions in Hostplus insurance:

Cover Commencement Date

- a. If you Opt-in to Default Cover, the later of the following:
 - i. the date we receive your Opt-in; and
 - ii. The date you become an Eligible Person.
- b. for Members who do not Opt-in to Default Cover, the date the Eligible Person first meets all the following criteria:
 - i. is aged at least 25 years, if they joined the Fund on or after 1 April 2020; and
 - ii. the Member's account has had a balance of at least \$6,000 on or after 1 November 2019.

Cover End Date

Where cover ends because:

- a. of insufficient funds in your account, the last calendar day of the month in which your account balance has insufficient funds to pay premiums;
- b. your account becomes inactive, the date your account has been inactive for a continuous period of 16 months; or
- c. as at 31 March 2020 you are a **Low Balance Member** (and not an **Exempt Person**), cover ends at midnight on 31 March 2020.

Pre-existing Condition

Any injury or illness, condition or related symptom which you, or any reasonable person in your position:

- was aware of, or should have been aware of; or
- had, or was intending to have, or would have had a medical consultation for,

in the two years prior to the date your cover commenced or recommenced under the Policy or the previous policy.

Recommencement Date

Where cover recommences due to the receipt of:

- a. an election or request from a person to recommence their cover, the date we receive the person's election or request;
- b. a contribution for a person, the date the Contribution for the person is received by us unless (c) applies;
- c. a contribution for a person where the person may not have met the legislative requirements for cover to recommence, the later of the following:
 - i. the date the contribution for the person is received by us;
 - ii. the date the person makes a written request or positive election to be provided with cover under the Policy even where their account has not had a balance of at least \$6,000 on or after 1 November 2019, or they are aged less than 25 years if they joined the Fund on or after 1 April 2020;
 - iii. the date the person first meets all the following criteria:
 - is aged at least 25 years, if they joined the Fund on or after 1 April 2020; and
 - the member's account has had a balance of at least \$6,000 on or after 1 November 2019.

Restricted Cover

You are only covered for an illness that first becomes apparent, or an injury that first occurs, on or after the date cover commenced or recommenced and provided the Injury or Illness is not a Pre-Existing Condition.

These definitions have been removed from Hostplus insurance:

- Claiming Member
- Contribution Start Date
- Salary
- Senior Manager

Changes to Non-default MetLife Salary Continuance insurance cover

When your non-default Salary Continuance cover ends

From 1 April 2020

The following conditions were added to when your non-default Salary Continuance insurance cover will cease, on the earliest of the following events:

For Members who joined Hostplus prior to 1 April 2020, your cover will cease at midnight on 31 March 2020, if as at 31 March 2020 you are:

- a Low Balance Member; and
- not an Exempt Person.

For further information see **8.16.2 When your non-default Salary Continuance cover ends** at pds.hostplus.com.au/8-insurance-in-your-super

Who's eligible for non-default Salary Continuance insurance cover with Hostplus?

From 1 April 2020

The following conditions were added so that you are also eligible for non-default Salary Continuance insurance cover, if you are:

- not eligible to receive, and you have not had a claim admitted, for a total and permanent disablement benefit from any source including a superannuation fund or otherwise. Please note, if you are not eligible for Salary Continuance insurance cover due to this clause, your cover will be deemed to have never commenced and any premium deducted for any cover that you have been given in error will be refunded to your account.

In addition, you must meet the following requirements under the Putting Members' Interests First legislation:

- You must be aged at least 25 years if you joined the Fund on or after 1 April 2020; and
- Your account has had a balance of at least \$6,000 on or after 1 November 2019; or
- You are an Exempt Person (for example, you made a written request or positive election to be provided with cover even where your account has not had a balance of at least \$6,000 or more on or after 1 November 2019 or you are aged less than 25 years if you joined the Fund on or after 1 April 2020).

Minor amendments have been made to the definition of Excluded Member. To be eligible for non-default Salary Continuance cover you cannot be an Excluded Member.

An Excluded Member is a member who satisfies one or more of the following:

- has reached the maximum expiry age, being age 65;
- works in an excluded occupation; or
- has previously declined default cover, opted out of or cancelled all cover under this or any previous Hostplus policy; or
- is eligible to receive or has received a lump sum benefit for total and permanent disability from any source.

Special Insurance Offer – non-default Salary Continuance insurance

From 1 April 2020

The conditions for Special Insurance Offer – non-default Salary Continuance insurance are now:

Eligible Industry members who have obtained automatic Death and TPD cover, have a once off opportunity to obtain non-default Salary Continuance insurance to up to \$4,000 per month for a benefit period of two years, and a default waiting period of 90 days (unless you nominate otherwise) with limited health questions.

You can apply for the special offer via Member Online at hostplus.com.au if you **Opt-in** to automatic Death and TPD cover within 60 days of the date the Hostplus Welcome Letter is issued to you.

i Important Note:

- If you are not **Actively Employed** on the date we receive your application, your Salary Continuance Insurance will be **Restricted Cover** until you are **Actively Employed** for 30 consecutive days at which time Full Cover will replace your **Restricted Cover**.
- Any restrictions that apply to your automatic Death and TPD cover will also apply to any Salary Continuance obtained under the special insurance offer and will continue to apply until it expires under the relevant terms.

For further information see 8.16.8 Special Insurance Offer – non-default Salary Continuance insurance at pds.hostplus.com.au/8-insurance-in-your-super

Restricted Cover – Non-default Salary Continuance

From 1 April 2020

The conditions for Restricted Cover – Non-default Salary Continuance were changed to the following effect:

Restricted Cover covers you for an illness which became apparent to you or an injury that first occurs on or after the date your cover commences. It will not provide a benefit if you suffered from a Pre-Existing Condition i.e. illness or injury known to you for 2 years prior to your cover commencing.

This **Restricted Cover** will generally be replaced with **Full Cover** when you resume your normal duties with your employer for 30 consecutive days.

For further information see **8.16.9 Restricted Cover – Non-default Salary Continuance** at pds.hostplus.com.au/8-insurance-in-your-super

Changes to Non-default Salary Continuance cover definitions

The following are new or changed **Non-default Salary Continuance cover definitions**.

From 1 April 2020

These are changed definitions in Hostplus insurance:

Cover End Date

Where cover ends because:

- of insufficient funds in your account, the last calendar day of the month in which your account balance has insufficient funds to pay premiums;
- your account becomes inactive, the date your account has been inactive for a continuous period of 16 months;
- as at 31 March 2020 you are a Low Balance Member (and not an Exempt Person), cover ends at midnight on 31 March 2020.

Exempt Person

Means a member to whom we are permitted to provide cover even where their account has not had a balance of at least \$6,000 on or after 1 November 2019, or they are aged less than 25 years if they joined the Fund on or after 1 April 2020.

For example, a member is an Exempt Person if he or she has made a written request or positive election to be provided with cover even where their account has not had a balance of at least \$6,000 on or after 1 November 2019, or they are aged less than 25 years if they joined the Fund on or after 1 April 2020.

Low Balance Member

Means a member whose account has not had a balance of at least \$6,000 at any time within the applicable timeframes set out in the table below:

| Applies to | Timeframe |
|---|---|
| Members who joined Hostplus prior to 1 November 2019 | Between 1 November 2019 and 31 March 2020 |
| Members who joined Hostplus on or after 1 November 2019 but no later than 31 March 2020 | Between the date they became a member and 31 March 2020 |
| Members who joined Hostplus on or after 1 April 2020 | Since the date they became a member |

Pre-existing Condition

Any injury or illness, condition or related symptom which you, or any reasonable person in your position:

- was aware of, or should have been aware of; or
- had, or was intending to have, or would have had a medical consultation for,

in the two years prior to the date your cover commenced, or recommenced or is reinstated under the Policy or the previous policy, or in the two year prior to another relevant date specified in the Policy.

Restricted Cover

You are only covered for an illness that first becomes apparent or an injury that first occurs, on or after the date cover commenced, or recommenced or is reinstated and provided the injury or illness is not a Pre-Existing Condition.

Changes to Income Protection Insurance (SalarySafe)

When does SalarySafe cover start?

From 1 April 2020

The following are now the conditions for when SalarySafe cover starts:

Cover for new members of Hostplus will commence when they become Eligible For Cover from the first date of the relevant period that the first employer superannuation contribution represents and for which premiums are paid to the insurer, provided that this payment is made by the first quarterly deadline outlined in the superannuation guarantee (SG) legislation and:

- the member has instructed their employer to have Hostplus as their superannuation fund for receiving SG payments on the commencement of new employment and the member is Actively At Work; or
- the employer has nominated Hostplus as the default Fund for the purpose of complying with the SG legislation and for receiving SG payments on the commencement of new employment and the member is Actively At Work.

Where all the above conditions are not met, cover will commence from the first date of the relevant period that the first employer superannuation contribution payment made by a Hostplus participating employer represents and for which premiums are paid to the insurer, but will be limited to New Events cover only.

For further information see **8.17.2 When does SalarySafe cover start?** at pds.hostplus.com.au/8-insurance-in-your-super

Reinstatement of SalarySafe cover

From 1 April 2020

The following are now the conditions for reinstatement of SalarySafe cover:

For those members of Hostplus where cover has ceased due to the member no longer being employed by a Club Super Default Employer and the member later recommences employment with a Club Super Default Employer, cover will recommence from the first date of the relevant period that the first employer superannuation payment made by the most recent Club Super Default Employer represents, provided that this payment is made by the first quarterly deadline outlined in the SG legislation and the member is Actively At Work on their first day of employment.

For those members who do not meet these requirements, cover will recommence from the first date of the relevant period that the first employer superannuation contribution payment made by a Club Super Default Employer represents, but will be limited to New Events cover only.

Where insurance is turned off for an existing member of Hostplus because their account balance never reached a balance of \$6,000 as at 31 March 2020, cover will recommence either:

- a. automatically if the member becomes Eligible For Cover. Cover will commence on the date Hostplus receives the superannuation contribution payment which makes the member Eligible For Cover, but shall be limited to New Events cover only; or
- b. if the member reapplies for coverage under this Policy by writing to Hostplus and requests to opt in for this insurance coverage. Cover will commence on the date Hostplus received the request to opt in for this insurance coverage, but shall be limited to New Events cover only.

For further information see **8.17.2 When does SalarySafe cover start?** at pds.hostplus.com.au/8-insurance-in-your-super

SalarySafe Important definitions

The following are changes to SalarySafe insurance definitions.

From 1 April 2020

These are new definitions added to SalarySafe insurance:

- **Actively At Work**
- **Eligible For Cover**
- **New Events**

These are changed definitions in SalarySafe insurance:

Injury

Means a physical injury which occurs fortuitously whilst continuous cover is in force and which results in Disablement, within 12 calendar months from the date of its occurrence and which injury occurs prior to cover ceasing. Such Disablement must continue for a period of not less than the waiting period but does not include any condition which is also a Sickness.

When does SalarySafe cover cease?

From 1 April 2020

The following are now the conditions for when SalarySafe cover will cease:

SalarySafe cover will cease when any of the following occurs:

- When your employment ceases;
- On your 70th birthday;
- On your death;
- When we receive written advice from you that your SalarySafe cover is to be cancelled;
- When you cease to be a member of Hostplus;
- When you become self-employed and are no longer in receipt of valid employer contributions;
- When you are employed as a casual employee with a Hostplus participating employer and your last day at work was greater than 90 consecutive days; or
- When all cover for every member under this Policy ceases, subject to Financial Services Council Guidance Note No. 11 - Group Insurance Takeover Terms.
- On the date Hostplus terminates or fails to renew the Policy;
- If premiums on behalf of you are no longer paid by Hostplus to the insurer or from the date insurance is turned off by Hostplus as a result of any legislation.

Where SalarySafe cover ceases for you, the insurer is not liable to pay a benefit in respect of you where the waiting period commences after the cover ceases for you.

If the waiting period in relation to you began before cover ceased, the insurer will be liable to pay a benefit in respect of you as a result of only that Injury or Sickness which occurred whilst continuous cover was in force for you, subject to the conditions of the Policy wording as if it were still in force until you are once again Actively At Work.

If the waiting period in relation to you began before cover ceased, as soon as you are Actively At Work the insurer will have no liability to pay any benefit in connection with that Injury or Sickness including any reoccurrence of the Injury or Sickness, subject to Financial Services Council Guidance Note No. 11 – Group Insurance Takeover Terms.

For further information see **8.17.14 When does SalarySafe cover cease?** at pds.hostplus.com.au/8-insurance-in-your-super

Suspension of applications, switches, redemptions and withdrawals

On 1 April 2020 Hostplus provided additional information in the Hostplus Superannuation and Personal Super Plan PDS outlining the way the Fund may suspend or delay unit pricing, applications, switches, redemptions and withdrawals for all or a particular investment option, and that in such circumstances, transactions may not be processed or may be delayed. This power is not new and no amendment has been made to the governing rules of the product. This update was simply to ensure alignment and uniformity (where appropriate) between information in Hostplus' disclosure documents.

Importantly, Hostplus' Trust Deed has an existing power which provides its trustee with a broad discretion to manage the investments of the Fund. This includes the ability to suspend or delay unit pricing in extraordinary situations to ensure equity and fairness in investment pricing and transactions, in the best interests of members.

This Significant Event Notice is to inform you of this additional information (shown in full below) published on 1 April 2020 in the Hostplus Superannuation and Personal Super Plan PDS, available at pds.hostplus.com.au/5-how-we-invest-your-money Section 5.18 **Suspension of applications, switches, redemptions and withdrawals.**

“Suspension of applications, switches, redemptions and withdrawals”

The trustee may suspend or restrict applications, switches, redemptions and withdrawal requests, for all or a particular investment option at its absolute discretion. In such circumstances, transactions may not be processed or may be processed with significant delay.

The trustee may also decide to process a transaction request for a particular type of benefit from a suspended, restricted or closed option on a case by case basis. Any decision about whether to process transactions from such an option will be made in the best interests of investors as a whole.

All impacted transaction requests will be processed using the effective unit price applicable on the date the suspension is lifted, or the date special approval is granted if earlier.”

