

ONECARE AND ONECARE SUPER SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

1 February 2020

This Supplementary Product Disclosure Statement (SPDS) supplements the OneCare Product Disclosure Statement and Policy Terms dated 13 April 2019 (PDS) which includes OneCare and OneCare Super, and is to be read together with the PDS. Terms defined in the PDS have the same meaning in this SPDS. This SPDS updates the terms and conditions of your policy.

OnePath Life Limited ABN 33 009 657 176 AFSL 238341 (OnePath Life) issues OneCare. This includes OneCare External Master Trust and OneCare SMSF.

OnePath Custodians Pty Limited ABN 12 008 508 496 AFSL 238346 (OnePath Custodians) issues OneCare Super. OneCare Super is a superannuation product issued by OnePath Custodians, as trustee of the Retirement Portfolio Service (Fund). OnePath Life is the insurer for OneCare Super. When you join OneCare Super, OnePath Custodians contracts with OnePath Life to provide the insured benefits. OnePath Custodians has appointed OnePath Life to act as administrator of OneCare Super.

OnePath Life and OnePath Custodians are the issuers of this SPDS. Both OnePath Life and OnePath Custodians are responsible for the contents of this SPDS. However, an issuer is not responsible for the products issued by the other issuer.

OnePath Life is a company within the Zurich Financial Services Australia Group. OnePath Custodians is a company within the IOOF Group of companies, comprising IOOF Holdings Limited ABN 49 100 103 722 and its related bodies corporate (IOOF Group).

OnePath Life and OnePath Custodians are not related bodies corporate.

The purpose of this SPDS is to update the PDS to:

- update 'Who issues OneCare and OneCare Super?';
- update 'About OnePath';
- update the eligibility for Extended Terminal Medical Condition under Life Cover held outside super;
- update other OneCare Super information;
- update taxation and superannuation law information;
- update the Privacy Statement.

Update to 'Who issues OneCare and OneCare Super?'

The 'Who issues OneCare and OneCare Super?' section on page 5 of the PDS, is updated such that the last four paragraphs in this section are deleted and replaced with the following:

OnePath Life is a company within the Zurich Financial Services Australia Group. OnePath Custodians is a company within the IOOF Group of companies, comprising IOOF Holdings Limited ABN 49 100 103 722 and its related bodies corporate (IOOF Group).

OnePath Life and OnePath Custodians are not related bodies corporate.

OnePath Life and OnePath Custodians will collect, use, store and disclose your personal information in accordance with the Privacy Policy available at onepath.com.au/insurance/privacy-policy for OnePath Life and onepath.com.au/superandinvestments/privacy-policy for OnePath Custodians. You may also request a free copy of the Privacy Policies by contacting Customer Services on 133 667.

Update 'About OnePath'

The 'About OnePath' section on page 5 of the PDS, is updated such that the second, third and fourth paragraphs are deleted and replaced with the following:

OnePath life insurance solutions are provided by OnePath Life Limited, a company within the Zurich Financial Services Group.

Employing more than 50,000 people worldwide, the Zurich Insurance Group operates in over 210 markets as an insurance specialist and is committed to placing customer needs at the heart of their business.

OnePath superannuation solutions are provided by OnePath Custodians, which is part of the IOOF Group. As one of the leading financial services groups in Australia, with over 170 years' experience in helping Australians secure their financial independence, the IOOF Group provides services to more than 500,000 clients and has more than \$149.5 billion in funds under management and advice (as at 30 June 2019).

Update to the eligibility for Extended Terminal Medical Condition under Life Cover held outside super

We have updated the eligibility for the Extended Terminal Medical Condition standard feature under Life Cover to be available to policies held outside super. This standard feature is in addition to the Terminal Illness Benefit.

The 'Extended Terminal Medical Condition' section on page 25 of the PDS, is updated such that this section is deleted and replaced with the following:

Extended Terminal Medical Condition



When we pay

We pay the Extended Terminal Medical Condition benefit if the life insured suffers an Extended Terminal Medical Condition.

We will pay either the Extended Terminal Medical Condition benefit or the Terminal Illness Benefit (whichever we pay first) but not both. On payment of the Extended Terminal Medical Condition benefit, the Terminal Illness Benefit ceases, and vice versa.

Extended Terminal Medical Condition means two registered **medical practitioners** approved by us have certified, jointly or separately, by providing supporting medical evidence, that the life insured suffers from an **illness**, or has incurred an **injury**, that:

- is likely to result in the life insured's death within 24 months of the date of certification, and
- the **illness** or **injury** has progressed to a point where the standard medical treatment protocols for that condition are not expected to extend the life insured's life expectancy beyond 24 months from the date of certification.

For each of the certificates, the certification period for the terminal medical condition has not ended and at least one of the **medical practitioners** must be a specialist practising in an area related to the life insured's **illness** or **injury**.

The amount we pay

The amount of the Extended Terminal Medical Condition Benefit we pay is your Life Cover amount insured on the date the entitlement to the Extended Terminal Medical Condition Benefit arises.

We pay the Extended Terminal Medical Condition Benefit by the applicable benefit payment type. Please see below for more details.

The amount insured and benefit payment type

If the lump sum benefit type applies, the Life Cover amount insured is the amount for which we agreed to cover the life insured, reduced by certain payments. Please see below for more details. On a successful claim, we pay this amount as a single lump sum payment.

If an instalment benefit type applies, the Life Cover amount insured is the instalment amount for which we agreed to cover the life insured, reduced by certain payments. Please see below for more details. On a successful claim, we pay this amount monthly in arrears from the date the entitlement to the relevant benefit arises until the chosen instalment term ends. The instalment term is set out in the Policy Schedule.

Your amount insured can decrease

The Life Cover amount insured will decrease by any amount we pay or begin to pay for:

- the Advance Assistance Benefit under this policy
- TPD Cover and/or Trauma Cover attached to Life Cover under this policy
- TPD Cover and/or Trauma Cover under another **linked policy**.

Update to other OneCare Super information

We have updated the information relating to the payment of OneCare Super premiums by superannuation contributions.

The 'How to pay premiums for OneCare Super' section on page 133 of the PDS, is updated such that within sub-section 'Option 1 – Superannuation contributions', immediately after the second paragraph, the following is included:

The Fund is subject to tax on concessional contributions it receives. The Fund is generally entitled to claim a tax deduction for insurance premiums paid from concessional contributions. Therefore, the tax payable on concessional contributions is generally offset by the tax deduction the Fund claims on insurance premiums paid from concessional contributions, if the member has provided a valid TFN.

The Fund is generally not subject to tax on non-concessional contributions it receives, unless the member provides a 'Notice of intent to claim or vary a deduction for personal super contributions' form in respect of the non-concessional contributions. The Fund is generally entitled to claim a tax deduction for insurance premiums paid from non-concessional contributions. Subject to meeting eligibility requirements, you may be entitled to claim a personal tax deduction for non-concessional contributions made during each year ending 30 June by lodging a 'Notice of intent to claim or vary a deduction for personal super contributions' form (see page 138 for more information).

The 'Temporary residents' section on page 135 of the PDS is updated such that the sixth paragraph in this section is to be disregarded and the following should be read as a replacement of that information:

On transfer of your super benefit to the ATO, you will cease to be a member of the Fund. In this case, relying on an exemption granted by ASIC, we are not required to provide you with prior notification or an Exit Statement. We can provide you with further information about applying to the ATO for your superannuation monies should you wish to contact us.

The 'Who is a 'Legal Personal Representative?'' section on page 136 of the PDS is updated such that the third paragraph in this section is to be disregarded and the following should be read as a replacement of that information:

b. if the Trustee is reasonably satisfied that the value of the estate is less than the amount which the Trustee from time to time specifies as the 'probate limit', then the Trustee may for all purposes treat a person who does not meet the criteria in (a) but who the Trustee is reasonably satisfied will, in practice, be informally performing the role of executor or administrator as if they were the Legal Personal Representative.

The 'Who can be a dependant?' section on page 136 of the PDS is updated such that the entire section is to be disregarded and the following should be read as a replacement of that information:

Who can be a dependant?

Under superannuation law and the Fund's Trust Deed, a dependant includes:

- your 'spouse'. 'Spouse' includes another person (whether of the same sex or a different sex) with whom you are in a relationship that is registered under a State or Territory law or a person who, whether or not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple;
- your children (including an adopted child, a stepchild, or an ex-nuptial child, a child of your spouse, or someone who is considered your child under family law);
- any other person who the Trustee believes is or was at the time of your death, financially dependent on you at the time of your death;
- any other person with whom you have an 'interdependency relationship at the time of your death' (see below).

Update to taxation and superannuation law information

The 'Caps on concessional contributions' section on page 138 of the PDS, is updated such that the first and second paragraphs in this section are deleted and replaced with the following:

An annual cap on concessional contributions applies on a financial year basis. The cap for the 2019/20 financial year is \$25,000.

You may be able to make 'carry-forward' concessional super contributions if you have a total superannuation balance of less than \$500,000 as at 30 June of the previous financial year and have unused cap amounts.

The 'Non-concessional contributions' section on page 138 of the PDS, is updated such that the second, third, fourth and fifth paragraphs in this section are deleted and replaced with the following:

An annual non-concessional contributions cap applies on a financial year basis and is \$100,000 (2019/20). However, this cap is reduced to nil if your total superannuation balance as at 30 June of the previous financial year is greater than or equal to the general transfer balance cap of \$1.6 million (2019/20). If you have more than one super account, your non-concessional contributions made to all of your funds count towards the non-concessional contributions cap.

Generally, if you are eligible and under age 65 at any time during the financial year, you may be able to make non-concessional contributions of up to three times the annual non-concessional contributions cap under the 'bring-forward' arrangements.

The 'bring forward' cap is \$300,000 (2019/20) depending upon your total superannuation balance as at 30 June of the previous financial year. The bring-forward is automatically triggered when your after-tax contributions are more than \$100,000 in a particular financial year.

The 'Under age 60' table in 'For Lump-sum withdrawals' section on page 139 of the PDS, is updated such that the footnote in this table is deleted and replaced with the following:

* The low rate cap threshold for the 2019/20 financial year is \$210,000 (the amount may be indexed but in \$5,000 increments only).

The 'Temporary incapacity benefits' section on page 139 of the PDS, is updated such that this section is deleted and replaced with the following:

Temporary incapacity benefits

The Trustee must deduct tax at the PAYG withholding rates that apply to ordinary salary and wages. The tax offset for some superannuation benefit payments does not apply to income protection benefits.

If you do not provide your TFN, the Trustee must withhold at the rate of 47% (2019/20).

The 'Providing your Tax File Number (TFN)' section on page 140 of the PDS, is updated such that the last four paragraphs in this section are deleted and replaced with the following:

The Trustee and any third party engaged by the Trustee to provide superannuation administration services ("third party administrator") relating to this product are authorised to collect your TFN under super laws.

If you do provide your TFN to the Trustee or third party administrator:

- they will only use the TFN for legal purposes. This includes finding or identifying your superannuation benefits where other information is insufficient and calculating tax on any superannuation payment you may be entitled to and providing information to the ATO, such as reporting details of contributions for lost member reporting and monitoring of contribution caps
- they may provide the TFN to the trustee of another superannuation fund or a Retirement Savings Account (RSA) provider that is to receive your transferred benefits in the future. However, the Trustee and third party administrator will not pass your TFN to any other fund if you tell the Trustee or third party administrator in writing that you do not want it to pass the TFN on.

However, if you do not give the Trustee or third party administrator your TFN, either now or later:

- they will not be able to accept member contributions, and you will be liable to pay additional tax on concessional contributions
- you may pay more tax on your benefits than otherwise. (You may be able to get this back at the end of the financial year in your income tax assessment)
- it may be difficult to locate or amalgamate your superannuation benefits in the future.

The purposes for which the Trustee and third party administrator can use your TFN and the consequences of not providing it may change in the future if the law changes.

Page 140 of the PDS is updated such that immediately after the 'Incorrect TFNs' section, the following section is included:

Superannuation Legislative Changes effective 1 July 2019

Changes to superannuation legislation effective from 1 July 2019 are designed to prevent erosion of account balances. The measures that may impact your OneCare Super policy are set out below in brief:

- Unless members elect otherwise, trustees must not provide insurance to a member if the member's account is 'inactive' for a period of 16 months.
- An account is 'inactive' if no contribution or rollover is paid into it.
- Notices with prescribed content about 'inactive' accounts are to be sent to members at 9, 12 and 15 month intervals.

You should contact your financial adviser for more information on the changes.

Update to Privacy Statement

The 'Privacy Statement' section on page 146 of the PDS, is updated such that the first paragraph (which is shown in shaded text) in this section is deleted and replaced with the following:

OnePath Life and OnePath Custodians will collect, use, store and disclose your personal information in accordance with the Privacy Policy available at onepath.com.au/insurance/privacy-policy for OnePath Life and onepath.com.au/superandinvestments/privacy-policy for OnePath Custodians. You may also request a free copy of the Privacy Policies by contacting Customer Services on 133 667.