

About your Income Protection Cover

A Guide for Parish Clergy
in the Diocese of Sydney

► January 2006



SDS CLERGY
SERVICES

You have income protection cover through the Stipend Continuance Plan. The Plan provides income benefits if you become totally disabled due to injury or sickness or, having been totally disabled, remain partially disabled.

Premiums paid for the relevant insurance policy are recovered from parishes through the Parish Cost Recoveries system.

This brochure sets out the main terms of the income protection cover policy current as at 1 January 2006. The information in this brochure is not comprehensive and if there is any discrepancy between this brochure and the insurance policy, the terms of the policy prevail. If you require further information about the Plan please contact SDS ClergyServices.

You should consider the adequacy of the Plan according to your circumstances and needs. If the Plan is not adequate, contact a financial or insurance adviser to discuss other options for cover.

► **Am I covered by the Stipend Continuance Plan?**

The Plan automatically covers you if you:

- are a minister, senior assistant minister or assistant minister licensed to a parish in the Diocese of Sydney, and
- work more than 15 hours per week, and
- were under the age of 60 at the time you were first covered by the Plan, and
- are a permanent Australian resident.

However, if you are 60 years of age or more, and not already covered by the Plan, you will need to apply to join the Plan if you would like income

protection cover. In this case, the Plan's insurer requires that you be fully underwritten for your benefit entitlement.

► **When is a benefit payable to me?**

Under the Plan, a monthly benefit is payable if you become totally disabled. A reduced benefit is also payable if, having been totally disabled for at least 14 days, you return to work but remain partially disabled.

The insurer will assess your disability according to the following guidelines.

During the first 2 years of the claim, you are classed as totally disabled if, due to injury or sickness:

- you are incapable of doing the important duties of your regular occupation, and
- you are not working in any occupation (whether paid or unpaid), and
- you are under medical care.

After the first 2 years of the claim, you are classed as remaining totally disabled if:

- you are incapable of performing any occupation (whether paid or unpaid) for which you are reasonably suited by education, training or experience, and
- you are not working in any occupation (whether paid or unpaid), and
- you remain under medical care.

You are classed as partially disabled if:

- you return to work immediately after being totally disabled for at least 14 days, and
- you are not capable of doing all the important duties of your regular occupation due to your disability, and

- due to your disability, the amount of income for the work you do is less than the amount of your pre-disability income, and
- you are under medical care.

Only one benefit is payable. If you are disabled because of more than one injury or sickness, or both, you will only be paid a benefit for either one injury or one sickness (as determined by the insurer based on medical and other evidence).

If you are partially disabled, the amount of income you earn normally will be taken into account when determining the benefit payable to you.

► **How much is the benefit?**

If you are a minister, or a senior assistant minister or assistant minister with 7 or more years of service and you become totally disabled, the benefit available is up to 75% of the notional value of the remuneration package of a minister, as on your last day at work prior to your sickness or injury. SDS ClergyServices advises the insurer of the value of this package on a yearly basis.

If you are a senior assistant minister or an assistant minister with less than 7 years of service and you become totally disabled, the benefit available is up to 75% of the notional remuneration package of a 3rd and 4th year assistant minister, as on your last day at work prior to your sickness or injury.

If you remain partially disabled, the benefit payable is a proportion of the benefit for total disability.

Tax and other compulsory payments will be deducted from the benefit.

In some circumstances, the benefit will be reduced by income you earn from other sources.

► **Is there a waiting period?**

Yes. There is a waiting period of 90 days from the date a doctor first says that you are unable to work due to sickness or injury. Benefits are not payable during this period.

However, if you become totally disabled, you should make a claim as soon as possible. Do not wait until the end of the waiting period (see the 'How do I make a claim?' section in this brochure).

During this waiting period, you would remain licensed to your parish (although on sick leave) and would be entitled to receive your usual stipend, allowances and other benefits.

► **Could the benefit be reduced?**

The benefit payable would be reduced by any other amount already paid to you or payable in future in relation to your injury or sickness.

For example, the benefit will be reduced by an amount paid to you under transport accident legislation or any other legislation or award.

The benefit would also be reduced by:

- (a) any amount paid to you under any other income protection policy, or
- (b) any amount paid to you under a common law action for loss of past and/or future earnings, or
- (c) any paid sick leave you receive while being paid a benefit under the Plan.

The benefit will not be reduced by amounts you

receive as superannuation benefits (excluding insurance) or from social security.

▶ **When does the benefit cease?**

A benefit under the Plan is payable until:

- you are no longer totally disabled or partially disabled, or
- you reach the age of 65, or
- you cease to be under medical care, or
- you refuse to undertake treatment and/or rehabilitation which could be expected to allow you to return to work, or
- you fail to take all possible steps to return to work, or
- you fail to provide medical, financial or other information needed to assess your claim, or
- you die.

▶ **Does the benefit amount increase?**

Each year the benefit payable to you will be increased by whichever of the following amounts is lowest: 5% of the benefit or the annual increase in the consumer price index.

▶ **Are there any exclusions?**

Yes. The policy does not cover disablement caused by:

- uncomplicated pregnancy, childbirth or miscarriage, or
- a deliberate action on your part, or
- any act of war, whether war is declared or not, or
- your service in the armed services of any country or international organisation.

▶ **How do I make a claim?**

Within 14 days after your injury or disablement occurs, or as soon as possible after that, you (or someone on your behalf) should contact SDS ClergyServices to advise us of your circumstances.

SDS ClergyServices will contact the insurer on your behalf.

The insurer will send you the necessary claim forms. You will need to get your doctor to complete a section of the claim form. The insurer will not cover any costs associated with the completion of this form.

The claim form needs to be completed and returned within 30 days after the start of the period for which a benefit is claimed.

At any time, the insurer or its representative may ask you for more information, including details about your health, financial and business affairs, other insurance claims and other matters relevant to the claim. You need to provide this information.

▶ **Where can I find more information?**

If you have any further questions, please contact your bishop or archdeacon or SDS ClergyServices on 9265 1555.



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