

Significant Event Notice for the TAL Employee Insurance Plan (Plan)

Issued date: 27 February 2025

Life and Total and Permanent Disablement cover

This Significant Event Notice (Notice) provides important information about changes to the TAL Employee Insurance Plan (Plan) for Life (including Terminal Illness) and Total and Permanent Disablement cover (TPD). These changes will come into effect on 1 April 2025. The changes outlined in this Notice will be incorporated in the Product Disclosure Statement (PDS) and Target Market Determination (TMD) dated 1 April 2025 and will be available on the intranet and at tal.com.au/talsuper from 1 April 2025. Capitalised terms in this Notice are defined in this Notice or the PDS.

If you would like more information on the changes to the Plan, please contact staff.insurance@tal.com.au or call **1800 057 174** (x777).

1. Background

The Plan provides insurance cover to eligible Permanent Employees of TAL Services Limited (TAL). The benefits are provided through an insurance policy issued by TAL Life Limited (Insurer) and held by Mercer Superannuation (Australia) Limited as trustee of the Mercer Super Trust (Fund). Changes are being made to the Plan from 1 April 2025.

2. How will the Plan change?

Current terms	Changes from 1 April 2025	Consequence
Maximum Benefit Limit Death: \$5 million Terminal Illness: \$5 million TPD: \$5 million Interim Accident Cover: \$500,000	Maximum Benefit Limit Death: \$1.2 million Terminal Illness: \$1.2 million TPD: \$1.2 million Interim Accident Cover: No longer available. See below for further information.	The Maximum Benefit Limit and the Automatic Acceptance Limit (AAL) under the Plan will align to equal \$1.2 million. This means you cannot obtain insurance cover above the AAL. There is no change to the AAL which remains at \$1.2 million. For certain Members, cover will be reduced to the new Maximum Benefit Limit. For your amount of cover, please refer to your Annual Statement which can be found in Workday under Personal Information>Worker Documents. (You can sort or filter by upload date). Premiums (which are paid for by your Employer, TAL) will change in line with any reduction in cover and cost (refer to Premium Rates row below).
Underwriting	Removed from the Plan	This means you can not obtain extra cover over the AAL, nor remove any Limited Cover that may apply to your cover. If Limited Cover applies to your cover, it will continue to do so until you have been At Work for 60 consecutive days.
Interim Accident Cover	Removed from the Plan	No longer applicable as there is no underwriting.

Current terms	Changes from 1 April 2025	Consequence
Personal Statement	Removed from the Plan	No longer required as there is no underwriting.
<p>Cover cessation terms:</p> <p>Your cover will cease on the earliest of any of the following events:</p> <ul style="list-style-type: none"> a. 90 days after the date on which you cease to be a Permanent Employee of TAL; b. the date the Insurer receives your notification to cancel your cover; c. payment made of any claim in respect of you under the Policy; d. expiry of cover while on approved leave without pay subject to the terms of the Policy; e. the day you turn age 70; f. 30 days after the date that a premium is due and remains unpaid by the Trustee; g. the date the Trustee is required to cease your cover in order to meet its obligations under any statutory or legislative requirement; and h. the date the Policy is terminated. 	<p>Cover cessation terms:</p> <p>Your cover will cease on the earliest of any of the following events:</p> <ul style="list-style-type: none"> a. the date on which you cease to be a Permanent Employee of TAL; b. the date the Insurer receives your notification to cancel your cover; c. payment made of any claim in respect of you under the Policy; d. expiry of cover while on approved leave without pay subject to the terms of the Policy e. the day you turn age 70; f. 30 days after the date that a premium is due and remains unpaid by the Trustee; g. the date the Trustee is required to cease your cover in order to meet its obligations under any statutory or legislative requirement; h. the date the Policy is terminated; and i. 12:01 am on the date your employment ceases due to Misconduct or Serious Misconduct. 	<p>No change for points b) to h) however the change to a) means that once you are no longer a Permanent Employee of TAL, your cover under the Plan will cease that day (if that is the earliest of any of the events listed).</p> <p>A new term i) has been added if employment is terminated for Misconduct and Serious Misconduct.</p>
<p>Premium Rates:</p> <p>Death (including Terminal Illness): A unit rate of \$0.63 per \$1,000 Sum Insured.</p> <p>Total and Permanent Disablement: A unit rate of \$0.68 per \$1,000 Sum Insured.</p>	<p>Premium Rates:</p> <p>Death (including Terminal Illness): A unit rate of \$1.35 per \$1,000 Sum Insured.</p> <p>Total and Permanent Disablement: A unit rate of \$1.40 per \$1,000 Sum Insured.</p>	<p>The cost of your insurance is paid for by your Employer, TAL, and is not a direct cost to you. Contributions made by TAL as your Employer, to the Fund to meet the cost of premiums in relation to your Life and TPD cover, count towards your annual concessional contributions cap and may be subject to Division 293 tax.</p> <p>The amount of these contributions will be increasing due to the increase in premiums.</p> <p>There are annual caps (or limits) on the amount you can contribute into your superannuation each financial year and receive concessional tax treatment. These are referred to as the concessional contributions cap and non-concessional contributions cap. If your contributions exceed these caps, due to the increased insurance premium paid by your Employer, you may have to pay extra tax.</p> <p>As a result, there may be tax implications and you may wish to consult with an adviser.</p>

There are no changes to how your cover is calculated. Please see below for further information on how your cover is calculated.

The amount of Life Cover applicable to you will continue to be based on the formula below:

1. If you are under age 65, your sum insured for Life cover is the greater of:
 - i. $PS \times 25\% \times N$; or
 - ii. \$30,000.

Where:

 - a. PS = TAL Package Salary (which includes your base salary and employer superannuation guarantee contribution amount) at the date of death or Terminal Illness;
 - b. N = number of years (calculated to the nearest day) of remaining prospective service from the date of death or Terminal Illness to age 65 subject to a maximum of 25 years.
2. If you are still a Permanent Employee at age 65, up to when cover ceases at age 70, subject to the terms of the Policy, your sum insured for Life cover is a fixed amount of \$30,000.

Your TPD cover Sum Insured is the greater of:

- a. 75% x the Life Cover amount; or
- b. \$30,000.

Example: Sarah's TAL Package Salary is \$80,000 and she is aged 50 years and 6 months. She has 14 years and 6 months remaining service to age 65 and therefore Sarah's benefit amounts at that date and cost of premium (superannuation contribution paid by TAL) as follows:

	Formula used for calculation	Sum Insured	Cost prior to 1/4/25	Cost from 1/4/25
Life (including Terminal Illness)	$\$80,000 \times 25\% \times 14.5$	\$290,000	$0.63 \times (290,000/1,000)$ = \$182.70	1.35 $\times (290,000/1,000)$ = \$391.50
TPD	Greater of 75% of Life benefit or \$30,000	\$217,500	$0.68 \times (217,500/1,000)$ = \$147.90	1.40 $\times (217,500/1,000)$ = \$304.50
Total			\$182.70 + 147.90 = \$330.60	\$391.50 + \$304.50 = \$696.00

3. More information

If you would like more information on the changes to the Plan from 1 April 2025, a copy of the PDS and TMD incorporating the changes will be available on the intranet, tal.com.au/talsuper from 1 April 2025. Alternatively, you can contact staff.insurance@tal.com.au or call **1800 057 174** (x777).

Issued by Mercer Superannuation (Australia) Limited ABN 79 004 717 533, AFSL 235906 and TAL Life Limited ABN 70 050 109 450, AFSL 237848. The insurance cover provided is subject to the terms and conditions contained in the Policy. The terms and conditions of the Policy prevail over any inconsistent information in this Notice. Insurance benefits will only become payable if the Insurer accepts the relevant claim. Payment of any approved claim will be made by the Insurer to the Trustee and any insured benefit can only be paid by the Trustee when a condition of release under the Superannuation Industry (Supervision) Act 1993 (Cth) is met.

The information contained in this Notice is general information only. It does not take into account your individual objectives, financial situation or needs. You should consider the appropriateness of the cover provided under the Plan having regard to your objectives, financial situation and needs. It is recommended you seek financial advice from a financial adviser for personalised guidance tailored to your own circumstances.