

Manildra Flour Mills Retirement Fund

(ABN 32 448 411 930)

Announcement: New Income Protection benefit in the Manildra Flour Mills Retirement Fund from July 2013

The Trustee of the Manildra Flour Mills Retirement Fund is pleased to announce that from 1 July 2013, the Fund will provide you with income protection insurance¹ which provides you with a monthly benefit if you are temporarily disabled, for up to 2 years.

This new benefit will help protect you and your family against the financial burdens that would arise if you became ill or injured and could not work, but were not eligible for a Total and Permanent Disablement benefit from the Fund.

The income protection benefit is provided under an insurance policy held by the Trustee with MetLife Insurance Limited (ABN 75 004 274 882, AFSL No. 238096), a regulated life insurance company. Detailed information on the income protection benefit is available in the Fund's new Product Disclosure Statement, effective 1 July 2013.

Please note that insurance premiums for the income protection benefit will automatically be deducted from your account in the Fund from July 2013 when this benefit commences. If you do not want this to happen, you should return the attached form by 29 August 2013. All premiums will be refunded and you will be treated as if you had never had income protection insurance in the Fund. You can also elect to cancel your income protection insurance at any time (see *Cancelling your insurance* below).

What does the benefit provide?

This benefit will provide a monthly income if you are temporarily unable to work due to illness or injury. It is available until you reach age 65.

If you are temporarily disabled, after a waiting period of 90 days, you will receive a monthly payment of up to 75% of your salary for up to 2 years. This is subject to assessment of your claim by Metlife. Prior to this, you may be eligible for paid sick leave from your Employer. Contact the Fund Secretary for more information.

Please note that the Fund's income protection benefit will be reduced by any worker's compensation or other income replacement payments you receive from other sources.

How much does the benefit cost?

From 1 July 2013, insurance premiums for your income protection benefit will be deducted from your account each month. Premiums will depend on your age and sex as shown in the table and example calculation on page 5.

When does it start? What do I need to do?

If you are in "Active Employment"² on Monday 1 July 2013, you will automatically be covered by the Fund's income protection insurance policy.

¹ This type of insurance is sometimes called "salary continuance insurance" or "total and temporary disablement insurance".

You don't need to apply or have your health assessed, unless your insured amount would be above \$8,000 per month (i.e. your annual salary is above \$128,000). If your salary exceeds this level, your income protection insurance will be limited to \$8,000 per month unless you provide appropriate evidence of health and are accepted by the insurer. Contact the Fund Secretary for more information if this will affect you.

If you are not in “Active Employment” on Monday 1 July 2013, special conditions will apply. In particular, you will only have limited cover until you have returned to “Active Employment” work for 30 consecutive days. This means that you will only be covered for illnesses or injuries which occur after 1 July 2013—you will not be covered for pre-existing conditions. Contact the Fund Secretary for more information.

Continuous cover

While you are a member of the Fund, your insurance cover applies 24 hours a day, 7 days a week, not just when you are at work. When you leave the Manildra Group, if you are under age 60 you can choose to continue your income protection insurance cover in a personal insurance policy at your expense, subject to the insurer’s terms and conditions. If eligible, you must apply within 60 days of leaving the Manildra Group.

If you don’t want income protection insurance

The Trustee is introducing income protection insurance as a valuable benefit for members. However, it may not be appropriate for everyone.

If you do not want to have income protection insurance in the Fund, you should return the attached form to:

Peter May
Fund Administrator, Manildra Flour Mills Retirement Fund
GPO Box 2128
Sydney NSW 2001

by close of business on Thursday 29 August 2013. All premiums for the income protection insurance will be refunded and you will be treated as if you had never had income protection insurance in the Fund. (If you change your mind in the future, you will need to complete an application form, provide appropriate evidence of health and be accepted by the insurer. The insurer may accept or reject your application, and may apply higher premiums or special conditions.)

You can also cancel your income protection insurance at any time after 1 July 2013 by writing to the Fund Secretary. If you do so, no further income protection insurance premiums will be deducted from your account and no income protection benefits will be payable.

You should think about your insurance needs carefully. If you need help, you should speak to a licensed financial adviser. Neither the Fund’s trustee, your employer, the Fund’s insurer nor the Fund’s administrator is licensed to provide you with any financial advice.

Any questions?

For more information, please contact Mr Gilbert Bratby, Fund Secretary, Manildra Flour Mills Retirement Fund on (02) 8863 6261 or by email to gilbert.bratby@manildra.com.au.

² “Active Employment” means that you are *capable* of performing your identifiable duties for at least 35 hours per week without restriction by any illness or injury. Note that you do not have to be actually working those hours—you could even be on annual leave. However, if you are injured or ill and are not capable of performing your normal duties, you will not be classed as being in “active employment” even if you are on leave and not expected to do any work.

What are the main features of the Fund’s income protection insurance?

The following table summarises³ how income protection insurance works in the Fund. For more information, please contact the Fund Secretary (see above for contact details).

Who is covered?	Existing members on 1 July 2013 (and all new members from that date) automatically receive income protection insurance in the Fund ⁴ . You do not need to provide evidence of health. You are only covered if you are under age 65 and employed on a permanent basis working more than 15 hours per week.
How much will I be insured for?	If you are totally and temporarily disabled (due to illness or injury) after the end of the waiting period, you will be paid a <i>total disability</i> monthly amount of 75% of your salary ⁵ at 1 July ⁶ prior to the date you were disabled. This is paid as long as you remain disabled for up to 2 years (or until you reach age 65). Your insured amount is shown on your <i>Member’s Annual Statement</i> as at 1 July each year.
What if I come back to work part-time	If you have been totally and temporarily disabled and recover enough to return to work, but not at full capacity, you may be paid a <i>partial disability</i> income protection benefit. The amount will be a proportion of the <i>total disability</i> monthly amount based on your reduced income. For example, if you return to work earning 60% of your regular salary (e.g. if you work 3 days a week instead of 5 days a week), your income protection insurance will pay 40% of the <i>total disability</i> income protection payment (i.e. 75% of the remaining 40% of your regular salary). You may also be eligible for assistance with rehabilitation expenses to help you return to work.
How and when are insured amounts paid?	The insured amounts are paid monthly to your bank account.
How much does it cost?	Premiums are deducted from your account based on your age and salary. See the table below for more details.
Does the new benefit affect my existing death and TPD insurance?	No. You will still have the same insured benefit as part of the Fund’s Death and Total & Permanent Disablement Benefits. If you are assessed as totally and permanently disabled, or if you die, while you are receiving income protection payments, your death/TPD benefit will be calculated using your salary as at the date the income protection payments commenced.
Will I still be insured if I leave Manildra?	Most members under age 60 have the option after leaving the Manildra Group to continue their income protection insurance at their own cost without needing to provide medical evidence. Terms and conditions apply: see the Fund’s Product Disclosure Statement for details.

³ This table does not include full terms and conditions of insurance in the Fund. More details are available in the Product Disclosure Statement (available from the Fund Secretary).

⁴ Special conditions apply if you are in “Active Employment” on 1 July 2013—see note on page 2 for more information.

⁵ The insured amount is 75% of salary up to \$320,000 and 50% of any portion of salary above \$320,000 p.a. The insured amount is subject to a maximum payment of \$30,000 per month.

⁶ If your salary at the time you were disabled had reduced since the previous 1 July, the benefit will be based on the lower salary.

Am I covered all the time?

You are covered 24 hours a day, 7 days a week, even when you are not at work. You continue to be covered while on paid leave.

You are covered⁷ both in Australia or overseas. You will continue to be covered while on maternity⁸ or other employer-approved leave without pay⁹, for up to 24 months.

You are *not* covered for any intentional self-inflicted injury or any attempt to commit suicide, or any illness or injury either directly or indirectly caused by war or pregnancy.

Where can I get more information?

First, read the new Product Disclosure Statement (available from the Fund Secretary) so that you understand the terms and conditions of insurance in the Fund.

If you still have questions, contact the Fund Secretary.

⁷ Some conditions apply to overseas travel: contact the Fund Secretary for more details. In particular, you are not covered in relation to war outside Australia or for travel to certain dangerous places. All cover will cease if you join the armed forces (other than the Australian Armed Forces Reserve while you are not on active duty outside Australia).

⁸ You are not covered for normal and uncomplicated pregnancy, caesarean birth, threatened miscarriage, participation in in-vitro fertilisation or other medically assisted fertilisation techniques and normal discomforts of pregnancy, such as morning sickness, back ache, varicose veins, ankle swelling and bladder problems.

⁹ Some conditions apply to leave without pay: contact the Fund Secretary for more details.

Premium rates for Income Protection Insurance

The following table shows the annual premium for each \$1,000 of your annual insured amount.

Age	Male	Female
15	\$1.20	\$1.33
16	\$1.22	\$1.35
17	\$1.27	\$1.41
18	\$1.28	\$1.44
19	\$1.28	\$1.44
20	\$1.32	\$1.52
21	\$1.22	\$1.47
22	\$1.14	\$1.44
23	\$1.10	\$1.42
24	\$1.05	\$1.42
25	\$0.98	\$1.41
26	\$0.95	\$1.44
27	\$0.95	\$1.50
28	\$0.95	\$1.53
29	\$0.95	\$1.55
30	\$0.98	\$1.61
31	\$1.00	\$1.64
32	\$1.05	\$1.71
33	\$1.10	\$1.75
34	\$1.13	\$1.80
35	\$1.22	\$1.91
36	\$1.28	\$2.00
37	\$1.41	\$2.14
38	\$1.50	\$2.30
39	\$1.64	\$2.49

Age	Male	Female
40	\$1.80	\$2.71
41	\$1.97	\$2.97
42	\$2.18	\$3.28
43	\$2.40	\$3.60
44	\$2.69	\$4.00
45	\$2.94	\$4.36
46	\$3.27	\$4.78
47	\$3.63	\$5.27
48	\$4.05	\$5.80
49	\$4.49	\$6.34
50	\$5.02	\$6.93
51	\$5.60	\$7.55
52	\$6.25	\$8.21
53	\$6.96	\$8.90
54	\$7.79	\$9.67
55	\$8.70	\$10.46
56	\$9.70	\$11.29
57	\$10.79	\$12.14
58	\$12.01	\$13.03
59	\$13.37	\$13.98
60	\$15.03	\$15.14
61	\$16.85	\$16.36
62	\$18.91	\$17.85
63	\$16.44	\$15.06
64	\$5.95	\$5.44

Example premium calculation

A female member of the Fund aged 45 has an annual salary of \$80,000.

Her income protection insurance would provide her with a benefit of 75% x \$80,000 = \$60,000 per annum, or \$5,000 per month. Based on the tables below, the annual cost for her insurance would be:

$$\begin{aligned} & \text{Rate per } \$1,000 \times \text{Annual insured amount in thousands} \\ & = \$4.36 \times 60 = \$261.60 \end{aligned}$$

Premiums will change each year based on the premium rate shown in the table above for the member's age.

Issued 11 June 2013 by Manildra Flour Mills Retirement Fund Pty Limited (ABN 74 065 680 195) as trustee of the Manildra Flour Mills Retirement Fund (ABN 32 448 411 930)