

# KEY CHANGES TO ESSENTIAL SUPER.

We made changes to Essential Super this year and it's important you are aware of these and how they might affect you. Below is a table outlining the key changes.

CHANGE	BEFORE	AFTER
<b>Effective 18 February 2017</b>		
Launched a new Lifestage option		A new Lifestage option for members born since 2000 was launched. Information about the option can be found in the Essential Super PDS and Essential Super Reference Guide.
Change in investment allocation for the Lifestage 1960s option	Cash – 11% Fixed interest – 21% Global property and infrastructure securities – 12% Australian shares – 28% Global shares – 28%	Cash – 13.4% Fixed interest – 22.6% Global property and infrastructure securities – 11% Australian shares – 26.5% Global shares – 26.5%
Change in investment objective for some Lifestage options	<b>Lifestage 1940s:</b> To achieve a return of CPI + 1.0% per annum over rolling five-year periods after fees and taxes. <b>Lifestage 1950s:</b> To achieve a return of CPI + 1.5% per annum over rolling five-year periods after fees and taxes.	<b>Lifestage 1940s:</b> To achieve a return of CPI + 1.0% per annum over rolling three-year periods after fees and taxes. <b>Lifestage 1950s:</b> To achieve a return of CPI + 1.0% per annum over rolling three-year periods after fees and taxes.
Change in Standard Risk Measure <sup>1</sup> (SRM) for some options	Lifestage 1940s: 3 Lifestage 1950s: 4 Lifestage 1960s: 5 Lifestage 1970s: 5 Lifestage 1980s: 5 Lifestage 1990s: 5 Balanced: 4	Lifestage 1940s: 5 Lifestage 1950s: 5 Lifestage 1960s: 6 Lifestage 1970s: 6 Lifestage 1980s: 6 Lifestage 1990s: 6 Balanced: 5
Change in minimum suggested investment timeframes for some options	Lifestage 1950s: 4 years Lifestage 1970s: 5 years Lifestage 1980s: 5 years Lifestage 1990s: 5 years	Lifestage 1950s: 3 years Lifestage 1970s: 6 years Lifestage 1980s: 6 years Lifestage 1990s: 6 years
Clarification of which default option you will be invested in if there is no Lifestage option for your decade of birth		If there is no Lifestage option for the decade of your birth, we will use the Lifestage option closest to your date of birth.
Additional information regarding employer obligations has been added for employers using Essential Super as their default fund		Please see the Essential Super Reference Guide for more information.
Intra-fund consolidation		You are only permitted to have one account in Essential Super and the insurer will only pay one benefit, even if you are paying premiums on more than one account. If we identify that you have more than one account, we may consolidate your accounts into one.

<sup>1</sup> The SRM allows investors to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. The SRM for each option is also a measure of the risk objective of the option. There has been an increase in the SRMs for all the Lifestage options and the Balanced option. This is the result of lower return assumptions for certain asset classes.

## Changes to Essential Super insurance cover

CHANGE	BEFORE	AFTER
<p><b>Effective 18 February 2017</b></p> <p>Terminal Illness – Survival period changed from 12 months to 24 months. Depending on your circumstances this change may allow you to receive a terminal illness benefit earlier.</p>	<p>Terminal illness means all of the following happens:</p> <ul style="list-style-type: none"><li>• the insured member suffers an illness;</li><li>• at least two doctors, one of whom specialises in the illness from which the insured member suffers, have certified, jointly or separately in writing, that the insured member will, despite reasonable medical treatment, die from the illness within a period ('the Certification Period') that ends not more than 12 months after the date of the certification;</li><li>• the insurer is satisfied from medical or other evidence that the insured member will, despite reasonable medical treatment, die from the illness within the certification period; and, for each of the certificates, the certification period has not ended.</li></ul> <p>The illness that the insured member suffers from must occur, and the date of the certification must take place, while the person is insured under this policy.</p>	<p>Terminal Illness in relation to an insured member means all of the following have occurred:</p> <ul style="list-style-type: none"><li>• two doctors have certified jointly or separately in writing, that the insured member suffers from an illness or has incurred an injury, that is likely to result in the death of the insured member within a period (the "Certification Period") that ends not more than 24 months after the Date of Certification;</li><li>• at least one of the doctors is a specialist practicing in an area related to the illness or injury suffered by the insured member;</li><li>• the insurer is satisfied, on medical or other evidence, that despite reasonable medical treatment, the insured member's illness or injury is likely to result in the insured member's death within the Certification Period; and</li><li>• the Date of Certification occurs while the insured member is covered under this policy;</li><li>• the Certification Period has not ended for each of the certificates.</li></ul>

TPD definition change – adding Loss of Limbs and Home Duties definitions

N/A

### Permanent Loss

An insured member is totally and permanently disabled if all of the following applies to them:

- on the date of disablement they were less than 65 years old,
- as a result of illness or injury, they have suffered:
  - the permanent loss of use of two limbs, or
  - blindness in both eyes, or
  - the permanent loss of use of one limb and blindness in one eye,

and the insurer considers, on the basis of medical and other evidence satisfactory to it, they are unlikely ever to be able to engage in any occupation for which they are suited by education, training or experience, whether or not for reward.

### Home Duties

An insured member is totally and permanently disabled if all of the following applies to them:

- on the date of disablement they were less than 65 years old,
- when they suffered the disability, they were engaged in full-time domestic duties or child rearing,
- the insurer is satisfied on medical or other evidence that as a result of illness or injury the insured member:
  - has been unable to perform domestic duties or child rearing and has been confined to the home for a period of six consecutive months; and
  - is under the regular treatment, and following the advice, of a doctor; and
  - continues to be so incapacitated to the extent that they are unable to engage in any occupation for which they are suited by education, training or experience, whether or not for reward; and
  - will be so disabled for life.

In each of the Permanent Loss and Home Duties TPD definitions the following apply:

- Blindness means the permanent loss of sight to the extent that visual acuity is 6/60 or less, or to the extent that the visual field is reduced to 20 degrees or less of arc, as certified by an ophthalmologist;
- Limb includes an entire hand or foot.

For the suicide and self-inflicted injury exclusion, the exclusion period has reduced from 24 months to 12 months and the word 'infection' has been removed from the self-inflicted injury clause

### Suicide and self-inflicted injury

The insurer will not pay a benefit if:

- an insured member's death is due to suicide or intentional self-inflicted injury or infection and the death occurs within 24 months of the insured member's cover commencing, recommencing or increasing; or
- the terminal illness or total and permanent disablement of an insured member is the direct or indirect result of intentional self-inflicted injury or infection or attempted suicide

This exclusion applies whether or not the insured member is sane at the relevant time.

### Suicide and self-inflicted injury

The insurer will not pay a benefit if:

- an insured member's death is due to suicide or intentional self-inflicted injury and the death occurs within 12 months of the insured member's cover commencing, recommencing or increasing; or
- the terminal illness or total and permanent disablement of an insured member is the direct or indirect result of intentional self-inflicted injury or attempted suicide and the terminal illness or total and permanent disablement occurs within 12 months of the insured member's cover commencing, recommencing or increasing.

This exclusion applies whether or not the insured member is sane at the relevant time.

Removal of drug exclusion

### Drug exclusion

The insurer won't pay a benefit for an insured member's death, terminal illness or total and permanent disablement due to sickness or injury or any medical condition if it arises, directly or indirectly, as a result of the wilful taking of drugs other than as prescribed by a doctor (including the advice of the doctor regarding recommended type and dosage/s).

Drug exclusion no longer applies

<p>Removal of professional misconduct exclusion for Death and Terminal Illness cover</p> <p>Amendment to the professional misconduct exclusion for TPD cover to clarify that it will not apply if deregistration is for non-disciplinary reasons.</p>	<p>The insurer won't pay a benefit for an insured member's death, terminal illness or total and permanent disablement if it arises, directly or indirectly, as a result of a permanent or temporary banning, deregistration, disqualification, dismissal or other disciplinary action which prevents the insured member from pursuing, practising or engaging in their occupation or profession.</p>	<p>The insurer won't pay a total and permanent disablement benefit for any condition which arises, directly or indirectly, as a result of the insured member's permanent or temporary banning, deregistration or disqualification, which:</p> <ul style="list-style-type: none"> <li>• arises solely from disciplinary action undertaken against the insured member; and</li> <li>• prevents the insured member from pursuing, practising or engaging in their occupation or profession.</li> </ul>
<p>Medical definition update – Severe Rheumatoid Arthritis</p> <p>The definition has been updated to take into account medical advances in the diagnosis of this condition. In addition to the diagnosis method in the existing definition, a new diagnosis method has been added.</p>	<p><b>Severe rheumatoid arthritis</b></p> <p>The unequivocal diagnosis of severe rheumatoid arthritis by a Rheumatologist. The diagnosis must be supported by, and evidence, all of the following criteria:</p> <ul style="list-style-type: none"> <li>• at least a six week history of severe rheumatoid arthritis which involves three or more of the following joint areas: <ul style="list-style-type: none"> <li>• metacarpophalangeal joints in the hands</li> <li>• metatarsophalangeal joints in the foot, wrist, elbow, knee or ankle</li> <li>• proximal interphalangeal joints in the hands</li> </ul> </li> <li>• typical rheumatoid joint deformity and at least two of the following criteria: <ul style="list-style-type: none"> <li>• morning stiffness</li> <li>• rheumatoid nodules</li> <li>• erosions seen on x-ray imaging</li> <li>• the presence of either a positive rheumatoid factor or the serological markers consistent with the diagnosis of severe rheumatoid arthritis.</li> </ul> </li> <li>• simultaneous bilateral and symmetrical joint soft tissue swelling or fluid (not bony overgrowth alone).</li> </ul> <p>Degenerative osteoarthritis and all other arthritides are excluded.</p>	<p><b>Severe rheumatoid arthritis</b></p> <p>The person meets one of the following:</p> <ul style="list-style-type: none"> <li>• Diagnosis of rheumatoid arthritis, confirmed by appropriate radiology and blood tests, that has failed to respond to all treatment regimens including, but not limited to immunosuppressive and biological agents causing permanent whole person impairment of at least 25% (as defined in the 6th edition of the American Medical Association's publication 'Guides to the Evaluation of Permanent Impairment').</li> <li>• The unequivocal diagnosis of severe rheumatoid arthritis by a rheumatologist.</li> <li>• The diagnosis must be supported by, and evidence, all of the following criteria: <ul style="list-style-type: none"> <li>• at least a six week history of severe rheumatoid arthritis which involves three or more of the following joint areas: <ul style="list-style-type: none"> <li>• proximal interphalangeal joints in the hands</li> <li>• metacarpophalangeal joints in the hands</li> <li>• metatarsophalangeal joints in the foot, wrist, elbow, knee or ankle.</li> </ul> </li> <li>• simultaneous bilateral and symmetrical joint soft tissue swelling or fluid (not bony overgrowth alone).</li> <li>• typical rheumatoid joint deformity and at least two of the following criteria: <ul style="list-style-type: none"> <li>• morning stiffness</li> <li>• rheumatoid nodules</li> <li>• erosions seen on x-ray imaging</li> <li>• the presence of either a positive rheumatoid factor or the serological markers consistent with the diagnosis of severe rheumatoid arthritis.</li> </ul> </li> </ul> </li> </ul> <p>Degenerative osteoarthritis and all other arthritides are excluded.</p>
<p>Medical definition update – blindness – minor non-material change</p>	<p><b>Blindness</b></p> <p>The permanent loss of sight in both eyes, whether aided or unaided, due to illness or injury to the extent that visual acuity is 6/60 or less in both eyes or to the extent that the visual field is reduced to 20 degrees or less of arc, as certified by an ophthalmologist.</p>	<p><b>Blindness</b></p> <p>The permanent loss of sight in both eyes due to illness or injury to the extent that:</p> <ul style="list-style-type: none"> <li>• visual acuity is 6/60 or less; or</li> <li>• the visual field is reduced to 20 degrees or less of arc whether aided or unaided as certified by an ophthalmologist.</li> </ul>
<p>Medical definition update – chronic lung disease – minor, non-material change</p>	<p><b>Chronic lung disease</b></p> <p>Permanent and end stage respiratory failure where:</p> <ol style="list-style-type: none"> <li>a) the forced expiratory volume in 1 second (FEV1) test results are consistently less than one litre, and</li> <li>b) the insured member requires continuous and permanent oxygen therapy.</li> </ol>	<p><b>Chronic lung disease</b></p> <p>Permanent end stage respiratory failure with FEV1 test results of consistently less than one litre, requiring continuous permanent oxygen therapy.</p>
<p>Medical definition update – diplegia – minor, non-material change</p>	<p><b>Diplegia</b></p> <p>The symmetrical and total loss of function of both sides of the body due to illness or injury where such loss of function is permanent.</p>	<p><b>Diplegia</b></p> <p>The total loss of function of both sides of the body due to illness or injury where such loss of function is permanent.</p>

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Medical definition update  
– loss of speech – minor  
non-material change

**Loss of speech**

The total and irrecoverable loss of the ability to produce intelligible speech as a result of permanent damage to the larynx or its nerve supply or the speech centres of the brain. The loss must be certified by an appropriate medical specialist.

**Loss of speech**

The total and irrecoverable loss of the ability to produce intelligible speech as a result of illness or injury which causes permanent damage to the larynx or its nerve supply or the speech centres of the brain. The loss must be certified by an appropriate medical specialist.

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Medical definition update  
– multiple sclerosis  
– minor non-material  
change

**Multiple sclerosis**

The unequivocal diagnosis of multiple sclerosis as confirmed by a consultant neurologist and characterised by demyelination in the brain and spinal cord evidenced by Magnetic Resonance Imaging or other investigations acceptable to the insurer.

**Multiple sclerosis**

The unequivocal diagnosis of multiple sclerosis as confirmed by a consultant neurologist and:

- characterised by demyelination in the brain and spinal cord evidenced by Magnetic Resonance Imaging or other investigations acceptable to the insurer.

There must have been more than one episode of well-defined neurological deficit with persisting neurological abnormalities.

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**We're here to help**

If you have any questions or concerns about these changes or your Essential Super account, please call us on 13 4074 between 8am – 7pm, Monday to Friday (AEST).

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