



# ABOUT YOUR INCOME PROTECTION COVER

## A guide for parish clergy in the Diocese of Sydney

You have income protection cover through the Stipend Continuance Plan (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 your parish through the Parish Cost Recoveries system.

This document sets out the main terms of the current income protection cover policy. The information in this document is not comprehensive and if there is any discrepancy between this document and the insurance policy, the terms of the policy prevail.

The Plan does not cover your medical expenses, so you should ensure that you have adequate medical and hospital cover from another provider at all times. Limited claims for medical expenses related to an accident occurring in the course of your normal ministry duties can be made with the Sydney Diocesan Sickness and Accident Fund.

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 rector, senior assistant or assistant minister, under the age of 65, licensed to a parish in the Diocese of Sydney, and
- work more than 15 hours per week, and
- are a permanent Australian resident (i.e., you are legally permitted to reside and work for reward in Australia).

### **When is a benefit payable?**

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.

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.

You are classed as partially disabled if:

- you return to work after being totally disabled for at least 14 days, and
- you are not able to perform one or more of the important duties of your occupation, 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 the regular care of a medical practitioner.

Only one benefit is payable during a period. If you are disabled because of more than one injury or sickness during a period, 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).



## How much is the benefit?

If you are –

- a rector, or
- assistant minister having completed 6 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.

If you are a senior assistant minister or an assistant minister having completed less than 6 years of service and you become totally disabled, the benefit available is up to 75% of the notional remuneration package of a 3<sup>rd</sup> and 4<sup>th</sup> year assistant minister, as on your last day at work prior to your sickness or injury.

The notional value of the remuneration package is determined in accordance with the latest applicable Diocesan guidelines and includes a notional amount for normal non-cash fringe benefits (e.g., housing) provided to ministers.

If you remain partially disabled, the benefit payable is a proportion of the benefit for total disability. The amount of income you earn while partially disabled will be taken into account when determining the benefit payable to you.

The amount of the benefit paid will be adjusted when a return to work plan is implemented and you start receiving payment for part-time work.

## To whom is the benefit paid?

- (a) If you remain in office as a parish minister during a period of disability, any insurance ***benefit will be paid to the parish. You should continue to receive your usual stipend, allowances and other benefits from the parish.***
- (b) If, as a result of your disability, you resign your office as a parish minister, any insurance benefit will then be paid directly to you. Tax and other compulsory payments will be deducted from the benefit. Any income you receive from other sources will be taken into account when calculating the benefit.

## Is there a waiting period?

Yes. There is a waiting period of 90 days from the date that the insurer reviews a medical certificate from a medical practitioner that you are unable to work due to sickness or injury. You will therefore need to involve your doctor for this purpose. Benefits are not payable during the waiting 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 document).

## Return to Work Plan

Shortly after the commencement of the waiting period, the insurer will usually arrange for a "Return to Work Plan" to be developed by professional consultants in consultation with medical advisors, you and your Regional Bishop. Your cooperation with the development and implementation of the Plan is important to ensure insurance benefits continue to be paid.

The aim of this plan is to ease you back into a work environment without aggravating your medical condition.

The Return to Work arrangements, when implemented, will see a reduction in payments from the Insurance provider. e.g. If you return to work 3 days per week the benefit paid will reduce by 50%. If you commence other duties, unrelated to your previous role, your benefit will be reduced by 75% of any earnings received.



## Could the benefit be reduced?

The benefit payable will 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 statutory accident compensation scheme payments.

The benefit will also be reduced by:

- any amount paid to you under any other disablement policy, or
- any social security payments or Department of Veterans' Affairs payments, or
- any amount paid to you under a common law action for loss of past and/or future earnings, or
- any return to work arrangements.

The benefit will not be reduced by amounts you receive as superannuation benefits (excluding insurance).

## When does the benefit cease?

A benefit under the Plan is payable until:

- you are assessed by the insurer as 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 and manage your claim on an ongoing basis, 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 lower: 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 (whether sane or insane), or
- any act of war, whether war is declared or not, or
- your service in the armed services of any country or international organisation.

## What other benefits are available under the Plan?

The Plan incorporates Specific Injury and Specific Illness Trauma benefits, for which you may be eligible. If you suffer a nominated injury or illness, such as a bone fracture or cancer for the first time since your cover commenced, the benefit will be paid for a designated period.

There is no waiting period for this benefit and it could be payable even though you may not be totally disabled.

If you require any further information on these types of benefits please contact the Parish Support Manager.



## **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 the Parish Support Manager to advise us of your circumstances.

SDS Parish Support will contact the insurer on your behalf and 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 must provide this information in order for your claim to be assessed.

## **What if I need more information?**

If you have any further questions, please contact: your bishop, or the Parish Support Manager by email at [clergyservices@sydney.anglican.asn.au](mailto:clergyservices@sydney.anglican.asn.au), or by telephone on 9265 1534.