



Total & Permanent Disability Compensation from your Superannuation

Almost every working Australian joins a Superannuation fund whenever they start a new job. Most superannuation funds offer some level of Total and Permanent Disability ('TPD') Insurance. TPD cover is a valuable, yet little understood benefit that people hold with their superannuation.

If you suffer illness or injury and can no longer do the work you once could, you may be able to claim a TPD Insurance benefit through your superannuation fund.

For a member of a superannuation fund to be classified as TPD:

1. the fund member must have a TPD Insurance Policy in place as part of their superannuation fund on the date of ceasing active employment. Every superannuation fund is different but most have at least some level of TPD Cover. The level of cover, and your entitlements when it comes to accessing the benefit, are different between policies.
2. the fund member must be incapable because of illness or injury to work in any employment for which the member is reasonably qualified by education, training or experience. It is important to know that in order to be entitled to TPD benefits you do not need to show somebody else is at fault. The disability does not have to be work related. It could be for example, chronic fatigue syndrome, cancer, heart attack, mental illness, injuries at the work place or at home.
3. the fund member must have ceased active employment as a result of that injury or illness. This will not only be determined by medical evidence but also according to the labour market, the member's transferrable skills and the practical likelihood of the member gaining employment. Often alternate employment may be available to an incapacitated person if further education or retraining is undertaken. If so, the member may still be eligible to make a TPD Claim because the need to retrain indicates that alternate employment exists but it is outside the member's education, retraining and experience.
4. The fund member must be under 65 years of age on the date of ceasing active employment.

Most funds require that you have been absent from active employment for at least 6 months before you are eligible to make a claim. This waiting period varies between funds.

A successful claim for TPD has two components. The first is a lump sum payment based on the level of TPD Insurance Cover held. The compensation can be used to fund medical costs, clear out debts and provide an income stream to ensure quality of life (as best as it can be, given the individual's circumstances). The second is the early release of the member's accumulated superannuation balance.

Some superannuation funds have weekly or monthly payments if you can't perform your normal duties for a temporary period of time. These are called total or temporary disability (TTD) benefits, salary continuance or income protection payments. Typically, payments can be up to 75% of your wage plus super and may be able to be paid for up



to 2 years. You may even have benefits payable to age 65. It's not uncommon for payments to go through a qualifying period of 1 – 3 months. These payments might stop if your employment is terminated, if you are paid out a TPD benefit, or if you receive a common law lump sum payment of compensation.

If you are not successful in a claim for TPD benefit, you may still be able to access your accumulated superannuation funds on the grounds of financial hardship.

If you have suffered an illness or injury and can no longer work and wish to investigate a TPD Claim, or if you would like more information, please contact Ken Gray on 02 4731 5899 or email us at litigation@batemanbattersby.com.au.