



Income protection for everyday Australians

You always take out insurance for your car, your phone or when you travel overseas but what about insurance for your most important asset – your income?

Income protection insurance, also called salary continuance, provides a payment for up to 80% of your salary should you be unable to work due to sickness or injury.

As your sick leave and the support of your family won't last forever, having income protection provides you with cover if you are unable to earn an income for an extended period.

Choosing the right options

Income protection insurance is generally quite flexible, allowing you to tailor a policy that meets your individual needs and budget.

You can do this through choosing:

- **Your waiting period**, which is how long before you start receiving benefits when you make a claim. A 30-day waiting period is a popular choice, as you can often fall back on your sick leave until then, if needed. As a guide, the longer the waiting period, the lower your premiums will be
- **Your benefit period**, which is the length of time you will receive benefits after you stop working. Most policies allow you to choose from 2 years, 5 years or until you reach age 65, or age 70. Again, a shorter benefit period means lower premiums
- **An 'agreed value' or an 'indemnity' contract.** An 'agreed value' contract is based on a specific monthly payment if you make a claim, while an 'indemnity' contract means your monthly payment will be based on your salary when you make a claim. An 'agreed value' contract is generally more expensive than an 'indemnity' contract.

You can pay for income protection insurance either out of your salary or, if you hold it within your super fund, via the super contributions from you and your employer.

Holding it within super can be quite cost-effective, as it means there is no impact on your day-to-day cashflow, keep in mind this will reduce the amount you are accumulating in your Super fund.

The benefits of income protection

If you are unable to work for an extended period, having income protection in place means that you can:

- **Keep your lifestyle intact** as you will have funds that will continue to cover your ongoing living expenses, like rent or mortgage payment, groceries, utility bills and education expenses
- **Focus on getting better** without having to worry about ongoing expenses, along with being able to contribute to any rehabilitation or medical expenses that may arise from your illness or injury.

You can easily adjust your cover to take into account major life change, like getting a mortgage, getting married or having a baby – and with your premiums being 100% tax deductible, income protection insurance is also very tax-effective.

We can help

We can help you to decide on an appropriate package of income protection insurance based on your individual circumstances.

To find out more, please contact our office to make an appointment.

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