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| [HEADING OPTIONS]  Insurance in super: What happens when I’m not contributing?  Am I still covered if I’m not working?  If I take a break from work, am I still covered?  [SUBHEADING]  Whether you’ve left work to raise a child, or to focus on other pursuits, or even if it’s not your choice, at some stage you may not get employee super contributions. While these gaps in contributions can affect your insurance, in most cases you will continue to be covered. |

[COPY HEADING]

Unless you’re under the age of 25 or have less than $6,000 in your retirement account, chances are that your superannuation account includes some level of life and total and permanent disablement (TPD) insurance. This cover is to protect you and your family in case of an emergency.

And because we purchase insurance on behalf of nearly all our members, we’re able to offer more affordable premiums than you may find outside of super. The premiums are simply paid for from your account alongside your other fees.

So, what happens to your insurance when your contributions are paused for an extended period and your account’s growth idles for a bit?

# What happens if I’m not making contributions?

The short answer is ‘not much’, unless your contributions stop for more than 16 months. You’ll need to make sure tell the fund you want payments for insurance premiums to continue even if the balance falls below $6,000. You should also make a super contribution at least once every 16 months so the account doesn’t become inactive.

If you don’t make any contributions to your superannuation in more than 16 months, your super account will be deemed ‘inactive’ and your insurance coverage will end. Inactive accounts with less than $6,000 in savings will also be transferred to the Australian Taxation Office.

This policy is designed to protect you from whittling away your retirement savings by paying fees on multiple accounts.

Before we make any changes to your insurance coverage or super account in line with these rules, we’ll make sure to let you know.

# How contributions can stop

Career gaps – and their associated drop off in super contributions – aren’t uncommon in Australia, especially among new parents.[[1]](#footnote-2)

Consider this: By the end of July 2022, there were almost half a million Australians out of work who were actively looking for a new job.[[2]](#footnote-3) This figure doesn’t account for the thousands more who aren’t on the hunt for a new job because of other priorities.

Many of these people rely on the insurance provided by their superannuation. Rather than cancel coverage for hundreds of thousands of people, super funds such as ours continue to provide their members with coverage after their employer contributions stall.

1. KPMG, [*‘Parental equality and unpaid work reforms’*](https://mcas-proxyweb.mcas.ms/certificate-checker?login=false&originalUrl=https%3A%2F%2Fhome.kpmg.mcas.ms%2Fau%2Fen%2Fhome%2Finsights%2F2021%2F05%2Fparental-equality-reforms.html%3FMcasTsid%3D20892&McasCSRF=9c77720acaf2babc70f005f15749238081dfb26f3f9ce9690c089a1ec0b2132b), KPMG, 3 May 2021, accessed 20 September 2022  [↑](#footnote-ref-2)
2. ABS, ‘[*Labour Force, Australia*](https://mcas-proxyweb.mcas.ms/certificate-checker?login=false&originalUrl=https%3A%2F%2Fwww.abs.gov.au.mcas.ms%2Fstatistics%2Flabour%2Femployment-and-unemployment%2Flabour-force-australia%2Flatest-release%3FMcasTsid%3D20892&McasCSRF=9c77720acaf2babc70f005f15749238081dfb26f3f9ce9690c089a1ec0b2132b)’, Reference period August 2022, 15 September 2022, accessed 20 September 2022  [↑](#footnote-ref-3)