

Product Information Update

Issue Date: 8 August 2022

This Product Information Update (PIU) is to be read together with your Product Disclosure Statement (PDS) and Policy Document that you hold, and any other relevant Supplementary PDS ("SPDS"), PIUs and Upgrade Booklets that we have given you or may give you.

This PIU is effective on 8 August 2022. This PIU is jointly issued by TAL Life Limited (ABN 70 050 109 450, AFSL 237848 (TAL Life) and Mercer Superannuation (Australia) Limited (ABN 79 004 717 533, AFSL 235906) (MSAL).

The purpose of this PIU is to update information that is not materially adverse. If you have any questions about this PIU or your cover, please contact your financial adviser, or contact us via phone on 1300 209 088 or e-mail customerservice@tal.com.au.

If you would like a free printed copy of the updated information, please contact us on 1300 209 088.

General Information

The information contained in this PIU is of a general nature and does not take into account your individual objectives, financial situation or needs. You should consider how appropriate the insurance is for you with regard to your objectives, financial situation and needs, and seek advice from your financial adviser or tax professional before deciding on appropriate insurance cover.

Summary of change

Due to a recent regulatory change to superannuation and tax legislation, we are updating some information in your PDS about superannuation contributions rules and claiming tax deductions on some contributions. This information is relevant if you have applied for cover structured through superannuation. The PDS and Policy Document, and any SPDS otherwise remains unchanged. All other terms, conditions and exclusions will continue to apply.

The changes apply to the following PDSs in the table below

| Document title | Issue Date | Page Numbers |
|--|-------------------|--------------|
| Accelerated Protection through TAL Super PDS | 24 September 2021 | 13-15 |
| Life Insurance through TAL Super PDS | 1 December 2020 | 11-12 |

Changes to the PDSs

This change applies to the “Tax” section of the PDSs. The table above sets out the page numbers in the PDSs where the “Tax” section can be found. In each of the PDSs, under the subsection “Individual Members”, the text in the “Current” column in the table below is replaced with the text in the “New” column of the table below.

| Current | New |
|---|--|
| <p>Individual members</p> <p>From 1 July 2017 the requirement that you derive less than 10% of your income from employment sources was abolished and regardless of your employment arrangement you may be able to claim a tax deduction for your personal superannuation contributions. From 1 July 2020, if you're aged under 67 you can make personal or non-concessional contributions into super without needing to meet a work test requirement.</p> <p>Once you reach age 67 you will be required to meet the work test or use the one-off work test exemption. A one-year exemption from the work test exists for individuals aged between 67 and 74 with total superannuation balances below \$300,000 at the test time. This exemption will only apply for the first year that they do not meet the requirements of the work test (i.e., for the first year of retirement) and to contributions made after 1 July 2019.</p> | <p>Individual members</p> <p>From 1 July 2022, if you are between 67-74 years, you will be able to make personal superannuation contributions without satisfying the work test, subject to existing contribution caps. However, you will still be required to meet the work test or work test exemption to claim a deduction for personal contributions. This test requires that you are gainfully employed for at least 40 hours in any consecutive 30-day period in the income year in which the contributions are made. The work test exemption applies to members aged between 67 and 74 with a total super balance below \$300,000. It is your responsibility to ensure that you satisfy the work test or work test exemption for any personal contributions that you are claiming a deduction for.</p> <p>To meet the work test exemption criteria, you must have:</p> <ul style="list-style-type: none">• satisfied the work test in the income year preceding the year in which you made the contribution• a total super balance of less than \$300,000 at the end of the previous income year• not relied on the work test exemption in a previous financial year. |
| <p>The concessional contributions cap for the 2020/21 financial year is \$25,000 for individuals of all ages. From the 2019/2020 financial year, individuals with total superannuation balances of less than \$500,000 at relevant times, may be able to use their unused concessional contributions cap space to increase their concessional contributions cap.</p> | <p>The concessional contributions cap for the 2022/2023 financial year is \$27,500 for individuals of all ages. From the 2019/2020 financial year, individuals with total superannuation balances of less than \$500,000 on 30 June in the previous financial year, may be able to use their unused concessional contributions cap space to increase their concessional contributions cap.</p> |
| <p>For the 2020/21 financial year, the annual cap for non-concessional contributions is \$100,000 and individuals with total superannuation balances of \$1.6 million or more are not eligible to make non-concessional contributions. There is a 'bring-forward' option as discussed below. You will be taxed on non-concessional contributions over the cap at the rate of 45%, plus the Medicare levy.</p> <p>Under the 'bring-forward' option, generally people under 65 years of age can bring forward three years' entitlements to non-concessional contributions based on the annual cap limits above. However, from 1 July 2017 individuals with total superannuation balances over \$1.4 million have reduced access to the bring forward rule.</p> | <p>For the 2022/2023 financial year, the annual cap for non-concessional contributions is \$110,000 and individuals with total superannuation balances of \$1.7 million or more are not eligible to make non-concessional contributions. There is a 'bring-forward' option as discussed below. You will be taxed on non-concessional contributions over the cap at the rate of 45%, plus the Medicare levy where they cannot be released from a fund (and this is the case for TAL Super as stated below).</p> <p>Under the 'bring-forward' option, generally people under 75 years of age for at least one day during the year and who have not accessed this option in prior years can make non concessional contributions of up to three times the annual cap limit (explained above) in one year (other conditions apply).</p> <p>However, from 1 July 2022 members with total superannuation balances of \$1.48 million or more have reduced (or no) access to the bring-forward rule.</p> |
| <p>If your income is less than \$54,837 (for the 2020/21 financial year), you may also benefit from government co-contributions if you make a personal after tax (non-concessional) contribution to your superannuation.</p> | <p>If your income is less than \$57,016 (for the 2022/2023 financial year), you may also benefit from government co-contributions if you make a personal after tax (non-concessional) contribution to your superannuation.</p> |

TAL Life Limited

✉ GPO Box 5380, Sydney NSW 2001

☎ 1300 209 088

📅 1300 351 133

@ customerservice@tal.com.au

🌐 www.tal.com.au