

Insurance AND SUPER

Ask Financial Lifestyle Solutions for professional advice on...

Investments & Superannuation

- Account Based Pensions
- Personal Superannuation
- Employer Sponsored Superannuation
- Super Consolidation & Rollovers
- Annuities
- Self Managed Super Funds
- Lump Sum Investments
- Gearing
- Savings Plans

Insurance

- Income Replacement
- Business Expenses Insurance
- Life Insurance
- Total & Permanent Disability
- Trauma / Critical Illness Insurance

Strategic Advice

- Estate Planning
- Centrelink Assistance & Guidance
- Total & Permanent Disability Claims
- Permanent Incapacity Claims
- Aged Care Planning
- Transition to Retirement Planning



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This information is general in nature and does not
consider your individual circumstances or needs. Do not
act until you seek professional advice and consider the
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Are you aware of the pros and cons of protecting yourself inside super?

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You can have three different forms of Personal Protection within superannuation - life, TPD and income protection.

There are pros and cons of personal insurance placed inside, or outside, superannuation.

Insurance within super has the following advantages and disadvantages:

The Pro's ?

- Pay premiums with pre-tax dollars.
- Paying your premiums from a super fund may result in a reduction in your out of pocket expenses.
- Automatic acceptance is often available with employer super funds up to certain amounts.
- Relatively immediate access to insurance outside of superannuation as benefits are paid directly to the policy owner and life and TPD insurance are not taxed.

The Con's ?

- Potentially there could be a lack of access to the benefits as payments are treated as superannuation money.
- Taxation of death benefits, when left to a non dependant (under the SIS Act).
- Cannot insure for TPD "own" occupation.
- Income Protection premiums are not tax deductible to the life insured, only to the super fund when paid via the super fund.
- Trauma (or Critical Illness) is not permitted within superannuation in most circumstances.
- Portability when the life insured changes employers, particularly if moving overseas is much easier if cover is outside of super.
- Your super balance is decreased by any premiums paid.

