Guide to structuring for Priority Protection under the three superannuation ownership options

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	1. The trustee(s) of a self-managed superannuation fund (SMSF) or The trustee(s) of a Small APRA fund (SAF)	2. The trustee of an approved superannuation fund via PPPI e.g. the client acquires AIA Australia Priority Protection via their designated super fund's platform	3. The Trust Company (Superannuation) Limited (TTCSL) as trustee for the AIA (Insurance) Super Scheme
Who pays the premiums to AIA Australia?	The trustee(s) of the SMSF or SAF must pay the premiums from the SMSF's or SAF's bank account. The payment should not come from an individual's personal bank account.	The trustee of the relevant super fund (i.e. our partner provider) is responsible for paying the premiums from their member's account to us as insurer.	TTCSL must pay the premiums from amounts contributed or rolled over by the member into the AIA (Insurance) Super Scheme to fund the premiums.
Entitlement to the 15% rebate premium discount?	**No**, but the payment of insurance premiums by the SMSF/SAF ultimately provides the member with a benefit that is equivalent in value to the 15% rebate on the premium. To illustrate, assume an SMSF earns $10,000 interest during the year with no other income. Normally it would pay 15% tax on this interest, or $1,500. If the SMSF can claim $1,000 as a tax deduction for the insurance premiums it has paid on a policy it owns, tax on the $10,000 interest reduces from $1,500 to $1,350 – a tax saving of $150 which passes back to the SMSF member's account: **SMSF interest income**: **$10,000** **Insurance premium tax deduction**: ($1,000) **SMSF taxable income**: **$9,000** **SMSF tax liability @ 15%**: $1,350 *A tax saving of $150*	**No**, but the payment of insurance premiums by the fund could provide the member with a benefit that is equivalent in value to the 15% rebate on the premium. For a public offer fund, the manner and extent to which this 'benefit' flows to the member depends on the nature of the relevant super fund. For a wrap platform structure, the illustration under the SMSF ownership scenario could in theory apply to provide the member with equivalent value to a 15% rebate on the premium.	**Yes,** if rolling over or transferring amounts from an external (taxed) superannuation fund yearly or half-yearly in advance. The AIA (Insurance) Super Scheme cannot accept rollovers from untaxed superannuation schemes, i.e. rollovers that include a taxable component – element untaxed. The AIA (Insurance) Super Scheme can accept rollovers that include: Taxable component – element taxed, or Tax-free component No 15% rebate is available where premiums are funded by contributions.
Where does AIA Australia pay any insurance proceeds upon a successful claim?	Into the SMSF's or SAF's bank account.	Into the life insured's superannuation platform account from which premiums were paid.	Into the AIA (Insurance) Super Scheme, from where it is paid directly to the member or their beneficiary/s.
How can the insurance proceeds then be accessed?	It depends on the SMSF/SAF's governing rules as to whether a death or TPD benefit can be paid as a lump sum or pension. For death cover, a valid binding or non-binding nomination of beneficiary form is relevant. Income protection payments will be paid as a non-commutable income stream to the member for the period of incapacity only.	It depends on the super fund's governing rules as to whether a death or TPD benefit can be paid as a lump sum or pension. For death cover, a valid binding or non-binding nomination of beneficiary form is relevant. Income protection payments will be paid as a non-commutable income stream to the member for the period of incapacity only.	As the AIA (Insurance) Super Scheme is a risk-only superannuation product, TTCSL will only pay death or TPD benefits as a lump sum. A TPD benefit can be transferred/rolled to another complying super fund for payment as a lump sum or pension to the member. A death benefit cannot be transferred or rolled over. A valid binding or non-binding nomination of beneficiary form is relevant as to who will be paid the benefit. Income protection payments will be paid as a non-commutable income stream to the member for the period of incapacity only.

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