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At some point in your working career, you may need to take unpaid leave. The length of time you take and the reason why you take it will determine what effect unpaid leave will have on your super and your insurance cover. This fact sheet looks at the impact of unpaid leave and the options you will need to consider.

GESB Super and West State Super members

When you take unpaid leave, your employer will not be paying you a salary or making any Superannuation Guarantee (SG) contributions on your behalf. With no SG contributions being paid into your account, your insurance cover may also be affected.

This table shows the effect that taking unpaid leave may have on your insurance cover.

Type of insurance cover	Taking unpaid leave
Death cover	Your Death cover will continue and your premiums will continue to be deducted from your account. If your account balance is insufficient to pay your premiums, and your premiums remain unpaid, your cover will lapse.
Total & Permanent Disablement (TPD) cover	Your TPD cover will continue and premiums will continue to be deducted from your account. If your account balance is insufficient to pay your premiums, and your premiums remain unpaid, your cover will lapse. For more details on the conditions that apply to periods of unpaid leave in excess of 24 months, read the 'Insurance and your super' brochure available at gesb.wa.gov.au/brochures .
Salary Continuance Insurance (SCI)	Unless you have previously told us otherwise, SCI will cease if we do not receive a Superannuation Guarantee (SG) contribution for you for 180 days. This means that you may lose SCI cover if you take unpaid leave. If you wish to keep your SCI cover, you can either: <ol style="list-style-type: none"> 1) make an election to not lose SCI cover due to no SG contributions being received in your GESB accounts for 180 days by completing the relevant part of the 'Insurance Variation' form, or 2) let us know that you are unpaid leave and wish cover to continue until that period of leave ceases (up to a maximum of 24 months). If unpaid leave continues beyond 24 months, then you can apply again, subject to our Insurers approval, or make an election as described in 1) above. If you intend your SCI cover to continue, you must contact us to advise us of your intention, to avoid your SCI cover automatically lapsing. You may be able to reinstate SCI cover that ceased during a period of leave without pay. If your SCI cover has ceased due to us not receiving employer contributions during a period of leave without pay, you will be able to apply to reinstate your SCI cover without assessment by the Insurer subject to the: <ul style="list-style-type: none"> • Application being made prior to your approved return to work date from approved leave without pay • Payment of premiums during the period of approved leave • Provision of written evidence of the approved leave without pay when applying • Agreed return to work date being within 24 months of going on leave without pay (or, where an extension was approved beyond the 24 months by the Insurer, within the extended period approved)

Regardless of the above, unless you make an election otherwise, your cover may also lapse after 16 months if no other relevant contributions are made. See the 'Insurance and your super' brochure at gesb.wa.gov.au/brochures for details.

It is important to keep your details with us up-to-date. To view or change your current details, login to Member Online at mol.gesb.wa.gov.au or call your Member Services centre 13 43 72.

For more information on your insurance cover, read the 'Insurance and your super' brochure for GESB Super and West State Super members, available at gesb.wa.gov.au/brochures.

Gold State Super members

Recognised Unpaid Leave:

- Is when you are on parental leave
- Is when you are on sick leave
- Is any period of unpaid leave where normal employee entitlements, such as annual leave, sick leave or long service leave continue to accrue, or
- Is any other period of unpaid leave that your employer formally agrees to be treated as Recognised Unpaid Leave for super purposes. If your unpaid leave is approved on this basis, your employer is required to notify us in writing

All periods of Recognised Unpaid Leave are considered 'good service' for super purposes. During 'good service' your Gold State Super benefits will continue to accrue as normal.

Unrecognised Unpaid Leave:

- Is any period of unpaid leave that does not qualify as Recognised Unpaid Leave
- Will impact on your super entitlements

An example of Unrecognised Unpaid Leave is unpaid leave that is taken for personal reasons, such as an extended overseas vacation.

Effects of unpaid leave on your Gold State Super benefit

Any period of recognised or unrecognised unpaid leave pay that is less than three months in length does not affect your Gold State Super membership and your employer is not required to inform us. You are still required to make contributions for periods of leave less than three months.

Taking unpaid leave	Membership and employer notification	Contributions	Insurance cover ¹
Period of less than three months leave			
Recognised Unpaid Leave and Unrecognised Unpaid Leave	Your Gold State Super membership is not affected Your employer is not required to inform us	You are still required to make member contributions to your Gold State Super account	Your insurance cover is not affected
Period of more than three months leave			
Recognised Unpaid Leave	Your Gold State Super membership is not affected Your employer needs to notify us in writing	There are three options available regarding contributions while you're on unpaid leave See options overleaf	The insurance cover you receive will depend on the contribution option you choose See options overleaf
Unrecognised Unpaid Leave	Your Gold State Super membership entitlement will be affected Your employer needs to notify us in writing	You are not able to contribute to your Gold State Super account. The period will not be counted as service in the calculation of your Final Benefit	Your Gold State Super insurance cover will automatically lapse, but can be maintained if you choose to pay an insurance premium If you choose not to pay the premium and are permanently disabled or die while on leave, the insured component of your benefit will be calculated as if you had Minimum Cover (defined in the 'Gold State Super essentials' brochure available at gesb.wa.gov.au/brochures).

¹ Insurance cover is only available to members under age 60.

Contributions while taking recognised unpaid leave

There are three options available to you regarding contributions while you're on unpaid leave.

Option 1 Defer contributions (default option)

You may choose to defer your contributions until you return to work. To avoid paying interest, you will need to pay the deferred contributions owing for your period of unpaid leave in the same amount of time you took as unpaid leave.

For example, if you take six months unpaid leave and choose to defer your contributions, you have a maximum of six months to pay the contributions owing following your return to work, to avoid paying interest.

In accordance with legislation, we may charge interest on any amounts outstanding at the end of the defined period.

If you select this option, your account operates as if you are at work, meaning both your normal Gold State Super benefits and insurance cover for death and disability will continue to accrue at the current rate.

Option 2 Continue contributions

When on Recognised Unpaid Leave, you can continue to make your regular Gold State Super contributions by either:

- Sending your normal contribution amount to us each fortnight, or
- Paying the contributions in advance to cover your period of unpaid leave

If you select this option, your account operates as if you are at work, meaning both your normal Gold State Super benefits and insurance cover for death and disability will continue to accrue at the current rate.

Option 3 Reduced benefit option

If you decide not to pay any Gold State Super contributions for your period of leave, your chosen contribution rate during this period will change to 0%. Your Gold State Super benefit will still accrue over your period of leave, but you will see an overall reduction to your Average Contribution Rate.

Normal Gold State Super benefits, as well as your insurance cover for death and permanent disability, will be reduced in accordance with your Average Contribution Rate.

Following your return to work, you may increase your contribution rate up to 7% (for the period of time required) to bring your Average Contribution Rate back up to 5%. You can apply to change your contribution rate at any time by writing to us. Once we receive your request, your change will take effect from the beginning of the next contribution period.

If you retire, die or become totally and permanently disabled before your Average Contribution Rate reaches its previous level, your benefit will be reduced.

You may wish to seek financial advice as to whether Option 3 is suitable for you.

Choosing your contribution option

Once we have been advised of your Recognised Unpaid Leave, we will write to you asking that you select one of the available options. You will need to advise us of your choice within one month of receiving our letter.

If you do not advise us of your selection within the one month time period, you will automatically be deemed to have chosen Option 1 - 'Defer contributions'.

More Information

- We regularly conduct seminars and webinars that deal with taxation, investment options, retirement and much more. To attend a seminar, simply register online at gesb.wa.gov.au/seminars or register for a webinar at gesb.wa.gov.au/webinars
- Call your Member Services Centre on 13 43 72
- Read the following brochures, available at gesb.wa.gov.au/brochures
 - 'GESB Super Product Information Booklet'
 - 'West State Super Product Information Booklet'
 - 'Insurance and your super – GESB Super and West State Super'
 - 'Gold State Super essentials'
 - 'Insurance and your super – Gold State Super'

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