A WEALTH OF ADVICE

Protecting your Lifestyle

Ages 20 - 30

Anne Street Partners Financial Services Pty Ltd

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ASP0439 V1 Date: Feb 2017

- **Are you employed or self-employed?**
- **Do you have any debts or financial commitments?**
- **How long would your savings last if you couldn't work?**

What is income protection?

Your twenties are a decade to celebrate and enjoy. It's a great lifestyle full of friends, freedom and maybe even some time overseas if you're lucky.

It's also an expensive lifestyle. And to keep up with all of your bills and living costs, you need to continue working as hard as you are today – something that may not be possible if you suffer a serious illness or accident.

Income protection is a way of protecting your lifestyle against sickness or injury. It pays a monthly income of up to 75% of your regular salary until you can return to work.

What this means for you

If something does happen that stops you from working, receiving an income protection benefit means you've still got money coming in to help you pay your bills and other expenses.

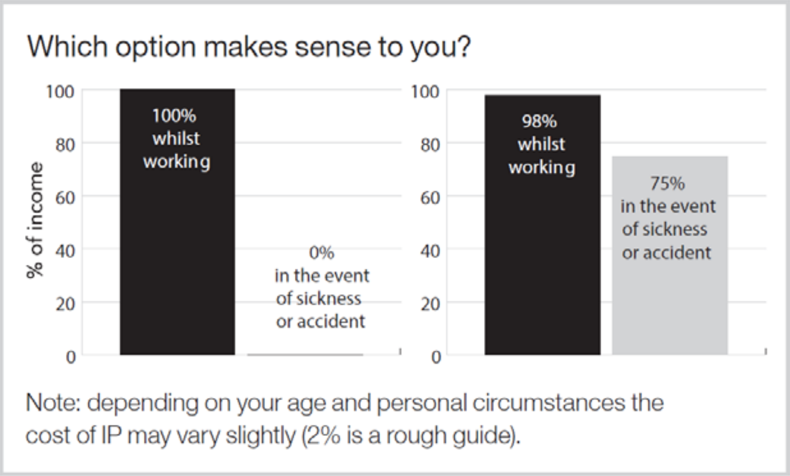
For example, your insurance money can help you cover regular costs like:

- **Rent**
- **Car or personal loan payments**
- **Credit card bills**
- **Phone bills**

Having this financial support can also help you afford the treatment you prefer, and take the time off work you need to recuperate properly.

Income protection only costs a fraction of your income (typically around 2%) and is tax-deductible in most cases – making it an extremely cost-effective form of insurance.

However, different policies will often have different features and benefits, so it's worth talking to a financial adviser to find out what type of policy best suits your circumstances and budget. In some cases a Super fund may offer cover which could suit your circumstances.



What are the chances?

- More than 15% of Australians will be disabled for more than 3 months during their working life.[1]

Case study

John was aged 26 and working as a Sales Manager. He was earning $75,000, was single and had no dependants.

John was spending a large portion of what he earned enjoying his life before he settled down. He rented an apartment with a good friend and had just purchased a new car on finance.

On his annual trip to the snow with friends, John tore a ligament in his knee – leaving him needing a full knee reconstruction. The doctor told him he'd be unable to work for three months.

While John's employer was accommodating in giving him time to recuperate, his sick leave entitlement was only 11 days – after which his income would stop completely.

Fortunately, John had an income protection plan that his financial adviser had recommended. The policy provided John with 75% of his salary for the period he was unable to work, which he used to pay his rent, car payments and the physio fees.

If it wasn't for this policy, John probably would have been forced to borrow from his parents or sell his new car. Having the policy meant that he was able to take care of himself financially, and take as much time as he needed to recover.

Note: This case study is for illustrative purposes only and the terms and conditions of insurance will depend on the particular insurance policy purchased.

Contact an Anne Street Partners Financial Adviser for further information on 135444 or visit www.annestreetpartners.com.au

[1] Source: Australian Disability Table IAD89-93 – Institute of Actuaries as at Dec 2002

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