

Income Protection Cover



What is Income Protection Cover?

Your ability to earn may be your most valuable asset. If illness or injury means you can't work, Income Protection Cover provides regular payments to help replace lost income. Unlike ACC, which only covers accidents, Income Protection Cover also provides financial protection if you are diagnosed with a serious illness like cancer, heart disease or a mental health condition. It provides peace of mind and helps to reduce financial pressure for you and your family during a difficult time.

PPS Mutual's Income Protection Cover is tailored specifically to support the unique needs of professionals, with flexible options to suit your life and career.



How does it work?

Income Protection Cover steps in when you can't. If you're unable to work due to illness or injury – whether partially or totally – PPS Mutual Professionals' Choice Income Protection Cover provides regular payments after expiry of your selected waiting period to help replace lost income. This ensures you can continue covering essential expenses like your mortgage, bills and family costs – giving you financial stability while you focus on recovery.

Payments begin once your chosen waiting period ends and can continue for the duration of your selected claim payment term. You get to choose the maximum time you'd like your payments to last for: 2 years, 5 years, to age 65 or age 70. We offer three types of Income Protection Cover (Agreed Value, Agreed Loss of Earnings and Loss of Earnings), along with a range of built-in and optional benefits (see page 3) – so you and your adviser can tailor your cover to suit your personal needs.

And we don't stop at financial support. PPS Mutual can also assist with your recovery including help with rehabilitation costs, retraining or vocational education, and specialist equipment to support your return to work and health. Your PPS Mutual adviser can help you build the right protection plan for your situation.



Keep your cover going while you recover

When you take out Income Protection Cover with PPS Mutual you also need to purchase a Waiver of Premium Cover. This ensures the cost of your policy premiums will be covered (after your waiting period) in the event of injury or illness.

It's a simple way to ensure your cover continues – so you can focus fully on your recovery, not your premium payments.



Example

When Rachel was diagnosed with stage 3 melanoma, she couldn't work for just over a year.

Her PPS Mutual Professionals' Choice Income Protection Cover helped ease the pressure by providing regular payments after Rachel's waiting period expired which enabled her to cover essentials like rent and family expenses – allowing Rachel to focus on what mattered most: her treatment and recovery.

Her selected cover also supported rehabilitation, including physiotherapy and sessions with an occupational therapist to help plan a confident return to work.



Income Protection Cover built in benefits and features

This is a summary of PPS Mutual's Income Protection Cover. Please read the policy wordings for all terms, conditions, limitations and exclusions.

Benefit or feature	Amount	Description
Total Disability Benefit	Depends on the type of Income Protection cover you choose. This is generally the sum insured minus any offsets (for example, payments made by ACC, or any income you continue to earn while disabled), or your pre-disability income minus offsets.	A monthly benefit paid in advance after the waiting period, if the life insured is totally disabled and unable to work in their usual occupation for more than 10 hours per week, or unable to perform at least one key income-producing duty of their occupation. Different thresholds will apply if you are not working prior to your disability.
Partial Disability Benefit	Depends on the type of Income Protection cover you choose. This is generally the sum insured minus any offsets, or your pre-disability income minus offsets.	A monthly benefit paid in advance after the waiting period, if the life insured is partially disabled and unable to engage in their usual occupation for more than 75% of their pre-disability hours, earn an income which is equal to or greater than 75% of their pre-disability income, or perform at least 25% of the key income-producing duties of their usual occupation.
Partial Disability Booster Benefit	An additional 25% of the Partial Disability Benefit for up to 12 months.	Paid if the Total Disability Benefit was paid for the life insured for a continuous period of at least 1 month and the life insured subsequently transitions to a Partial Disability claim.
Bed Confinement Benefit during the waiting period	The sum insured divided by the number of days in the calendar month, per day.	Paid during the waiting period if a life insured is admitted to a hospital or is confined to a bed at home under the supervision of a nurse or doctor for at least 3 consecutive days.
Care at Home Benefit	The sum insured divided by the number of days in the calendar month, per day, up to a maximum of \$4,500 per calendar month across all PPS Mutual policies.	Paid if the life insured is totally disabled and a doctor certifies that they require full-time care provided outside of a hospital.
Functional Equipment Benefit	Up to a maximum of 6 times the sum insured.	Reimburses reasonable costs associated with purchasing and installing specialised equipment to help the life insured regain function and/or return to work.
Home Modification Benefit	Up to a maximum of 12 times the sum insured.	Reimburses reasonable costs associated with purchasing and installing necessary home alterations to help the life insured regain function and/or improve accessibility.

Benefit or feature	Amount	Description
Vocational Retraining Benefit	Up to a maximum of 24 times the sum insured.	If the life insured is unlikely to return to work in their usual occupation at full capacity, PPS Mutual will reimburse reasonable costs of vocational or educational courses to support them to return to paid work at greater capacity.
Rehabilitation Support Benefit	Rehabilitation costs agreed by PPS Mutual.	A PPS Mutual Case Manager will work with the life insured to develop a suitable rehabilitation plan to assist them to return to work or increase their capacity to work and PPS Mutual will cover costs associated with the rehabilitation plan. For example, Occupational Therapy or Physiotherapy consultations.
Return to Work Benefit	<ul style="list-style-type: none"> The sum insured after 3 consecutive months of full time work. 2 times the sum insured after 6 consecutive months of full time work. 	<p>Lump sum paid if the life insured has:</p> <ul style="list-style-type: none"> been totally disabled or partially disabled for at least 12 consecutive months; or received a Vocational Retraining Benefit or Rehabilitation Support Benefit, <p>and then returns to full time work.</p>
Childcare Assistance Benefit	The sum insured divided by the number of days in the calendar month, per day, up to a maximum of \$1,300 per calendar month across all PPS Mutual Income Protection Covers.	Paid for each dependent child of the life insured who is under age 6 if PPS Mutual is paying a Total Disability Benefit, Partial Disability Benefit or Bed Confinement Benefit for a life insured.
Return to Home Benefit	Reimbursement of up to \$10,000 across all PPS Mutual policies.	Paid if the life insured is totally or partially disabled while living or working outside of New Zealand for 3 or more continuous months and subsequently returns back to New Zealand. PPS Mutual will reimburse the cost of a one-way flight back to New Zealand for the life insured and 1 support person.
Death or Terminal Illness Benefit	<p>For a life insured:</p> <ul style="list-style-type: none"> 3 times the Income Protection sum insured. <p>For a dependent child – death:</p> <ul style="list-style-type: none"> the Income Protection sum insured (\$2,000 limit for children under 10). <p>For a dependent child – terminal illness:</p> <ul style="list-style-type: none"> 3 times the Income Protection sum insured. 	<p>A lump sum payment if the life insured dies or is diagnosed with a terminal illness.</p> <p>This benefit also provides limited cover if the life insured's dependent child dies or is diagnosed with a terminal illness.</p> <p>For a dependent child aged under 10 years, PPS Mutual will only make 1 payment per dependent child under the Death or Terminal Illness Benefit across all PPS Mutual policies irrespective of how many parents are a life insured.</p> <p>For a dependent child aged 10 years or older, PPS Mutual will make 1 payment per dependent child under the Death or Terminal Illness Benefit across all PPS Mutual policies for each parent who is a life insured.</p>
Recurring Claim Fast-Track Feature	Recurrence of a related injury or illness within 12 months.	If a life insured suffers a recurrence of a related injury or illness that was the cause of an earlier Total Disability or Partial Disability claim within the prior 12 months, PPS Mutual will waive the waiting period for a recurrent Total Disability or Partial Disability claim.

Benefit or feature	Amount	Description
Related Claim Payment Reset Feature	Resets the claim payment term.	<p>PPS Mutual will reset the claim payment term for a related illness or injury if the life insured has:</p> <ul style="list-style-type: none"> recovered from an illness or injury for at least 12 consecutive months; and returned to full time work for at least 6 continuous months; and continuously performed all the key income-producing duties of their usual occupation.
Increasing Your Income Protection Feature	The lower of 100% of the underwritten sum insured or \$3,000.	Able to increase the life insured's Income Protection Cover sum insured if they are working full time and their income increases, without further medical underwriting.
Reduction in Waiting Period Feature	Reduces the waiting period.	<p>If the life insured is working full time and:</p> <ul style="list-style-type: none"> a PPS Mutual Key Person Protector Cover for the life insured is cancelled; or the life insured loses income protection (or related) coverage under a group insurance policy or scheme, <p>then the waiting period for the life insured's Income Protection Cover can be reduced to a duration that most closely matches the waiting period on the cancelled or lost cover.</p>





Income Protection Cover optional benefits and features

Optional benefit or feature	Amount	Description
Optional Retirement Protector Benefit	Sum insured multiplied by the selected percentage (1% to 10%).	Paid directly to the life insured's KiwiSaver scheme provider if the life insured receives a Total Disability, Partial Disability, Optional Critical Illness Benefit, or Optional Specific Injury Benefit.
Optional Family Caregiver Benefit	The sum insured divided by the number of days in the calendar month, per day, up to a maximum of \$4,500 per calendar month.	PPS Mutual will pay a Family Caregiver Benefit if: <ul style="list-style-type: none">• The life insured ceases work to provide full-time care to an immediate family member; and/or• A spouse or dependent child of the life insured is hospitalised for at least five (5) consecutive days.
Optional Critical Illness Benefit	6 times the Income Protection sum insured.	A lump sum paid if the life insured meets the criteria of one of the critical illness condition definitions. For example, a heart attack or cancer.
Optional Specific Injury Benefit	Variable, from 1 times the sum insured to 60 times the sum insured.	A lump sum paid if the life insured suffers a specified injury condition. For example, specific fractures, or burns.
Optional Short Term Booster Benefit	An additional 1/3 rd of the Total Disability Benefit or Partial Disability Benefit.	Increases the Total Disability or Partial Disability Benefit sum insured for the life insured for the first 6 months from the end of the waiting period.
Optional Permanent Disability Income Booster Benefit	<ul style="list-style-type: none">• Increases the Total Disability Benefit – claim payment by 1/3rd.• Increases the Partial Disability Benefit by assessing post-disability income and working hours as zero when calculating the Partial Disability Benefit for 2 years.	<p>If the life insured has been totally disabled from their usual occupation for 12 consecutive months, and is considered totally and permanently disabled, PPS Mutual will pay an additional 1/3rd of the Income Protection sum insured for the remaining claim payment term.</p> <p>If the life insured is considered partially and permanently disabled, PPS Mutual will amend the Partial Disability Benefit calculation for a period of 2 years by deeming the income received and the working hours done by the life insured during the partial disability as zero.</p>
Optional Inflation Adjustment	In line with the inflation adjustment set out in the General Terms and Conditions.	If the life insured has the inflation adjustment option for their Income Protection Cover and PPS Mutual is paying a Total Disability Benefit, or Partial Disability Benefit, the claim payment will continue to increase each year on the policy anniversary date.

Disclaimer

For use by PPS Mutual accredited advisers and their clients only. This guide is intended solely for informational purposes and is general in nature. It offers a concise overview of PPS Mutuals Professionals' Choice Benefits and Features. All Covers are subject to applicable Cover Terms, conditions, and exclusions. For comprehensive details about each Cover, Benefit and Feature, please consult the applicable Cover Terms. This guide reflects PPS Mutuals Professionals' Choice as of 5 June 2025 and may be subject to updates.