



AUSTRALIAN AIR PILOTS MUTUAL BENEFIT FUND

**COMMENTARY DOCUMENT
FOR THE FUND PROPOSED RULE CHANGES
EFFECTIVE
1 MAY 2025 & 1 MAY 2026**

CHANGE COMMENTARY FOR PROPOSED FUND RULES EFFECTIVE 1 MAY 2025

A summary of change will be provided for each segment with commentary on the proposed changes.

All changes including any clerical/administrative error(s) arising from an accidental slip or omission will be amended as per the current Rule 1.2.6. Slip Rule and such change will be written in blue within the respective proposed rule change.

It should be noted that all care has been taken to examine the cross-referencing within each rule, but should there be an anomaly, the anomaly shall be corrected and advice provided to Members as per the current Slip Rule.

RULE 1 - INTRODUCTION AND DEFINITIONS

Rule 1.3. DEFINITIONS

- **Death Benefit**

Change: increase in the maximum amount from \$300,000 to \$400,000.

Reason for change: increase in death benefit amount.

- **Piloting Income**

Change: additional wording to the contractors – “lodged with the ATO”.

Reason for change: define which income tax return is applicable in determining the Member’s Piloting Income for the calculation of Monthly Benefits.

RULE 3 - CONTRIBUTIONS

Rule 3.7. DISCRETIONARY REFUND OF CONTRIBUTIONS

3.7.6. Refunds will be capped at \$75,000.

Change: increase in the maximum cap amount from \$70,000 to \$75,000.

Reason for change: increase the cap amount.

Rule 3.7.4. Any Benefits paid in respect of the loss of a Class 1 Medical Certificate shall be offset against such a discretionary Refund of Contributions.

Change: remove specific reference to Monthly Benefits and Capital Benefit Balance and replace with “Any Benefits”.

Reason: with the proposed introduction of new Benefits such as Single Pilot/Multicrew Limitation Benefit and Trauma/Critical Illness Benefit, the same intent of reducing the ROC by Monthly Benefits or Capital Benefit Balance already paid remains the place and now include the two new Benefits.

RULE 6 - RESTRICTED BENEFITS

Rule 6.5. THIRD-PARTY CLAIM LIABILITY AND 'TOP-UP' PAYMENTS

6.5.1. ... These include, but not limited to worker's compensation, transport or other accident compensation, employer periodical payments (including 'make up payments'), ...

Change: remove the words Enterprise Agreement and replace with employer periodical payments (including 'make up payments').

Reason for change: to clarify the exception for when the Fund does not pay benefits.

6.5.2. ... The Fund does not offset capital sums received from other providers.

Change: additional sentence.

Reason for change: to clarify that the Fund does not offset against other providers.

RULE 7 - MONTHLY BENEFITS

Rule 7.2. CONDITIONS OF PAYMENT – PERSONAL ACTIVITY REPORT (PAR)

7.2.1. When it has been determined as necessary by the Trustee, a Claimant, must make available to the Fund, a personal activity report every month or other longer interval as directed by the Trustee, which should include (as applicable to the relevant ASE/C): ...

Change: amend rule.

Reason for change: amend rule to provide PAR on a monthly basis to "as requested basis".

7.3. RATES OF MONTHLY BENEFIT PAYMENTS

7.3.1. Monthly Benefit payments shall be capped at a gross payment of \$15,000 per month but shall not be more than one twelfth of a Claimant's annual Piloting Income at the Date of Disability.

7.3.2. Notwithstanding Rule 7.3.1, Monthly Benefit payments for Unemployed Members will be capped at a maximum gross payment of \$10,000 per month.

Change: amend monthly benefit amounts for both employed and unemployed.

Reason for change: to increase the gross monthly benefit amount from \$12,000 to \$15,000 (capped at one twelfth of the Claimant's annual Piloting Income at the Date of Disability as per current Rule).

Unemployed – Increase gross monthly benefit amount from \$8,000 to \$10,000.

7.3. RATES OF MONTHLY BENEFIT PAYMENTS

7.3.3. Notwithstanding Rule 7.3.1, Monthly Benefit payments shall not be less than a gross payment of \$10,000 per month.

Change: new rule.

Reason for change: new rule for the minimum Monthly Benefit payment to be no less than a gross payment of \$10,000 per month.

7.9. COMPLETION OF THE CLAIM

7.9.1. A claim on the Fund and the subsequent liability of the Fund shall be deemed complete at close of business on the last day of the 36th month from the Date of Disability except where claims have been delayed in assessment due to the ongoing resolution of an external claim / third party claim in accordance with Rule 6.5 in which case, on application to the Trustee, it may extend the 36 month period at its sole and absolute discretion.

Change: insert exception to the current rule.

Reason for change: currently claims are deemed to be complete at the close of business on the 36th month from the Date of Disability. With the insertion, claimants are able to apply to the Trustee to extend this period.

7.15. SINGLE PILOT / MULTICREW LIMITATION BENEFIT

7.15.1. Where a Claimant has had their Class 1 Medical Certificate returned, regardless of having been in receipt of Monthly Benefit payments, with an ‘as or with co-pilot (or equivalent) on their Class 1 Medical Certificate, the Claimant may make application to the Trustee for the payment of up to 6 Monthly Benefit payments. A pilot must have lost his ability to continue to receive an income from their current employment to be eligible for Benefits under this Rule.

7.15.2. At all the times, the decision to make such payments is at the sole and absolute discretion of the Trustee and will take into account FMA advice regarding the likelihood of a successful resolution of the restriction and the Claimant's detailed return to work plan within that additional period either with the current or alternative employer.

7.15.3. Where the Claimant can show a good reason why the resumption of normal duties or a change of employer cannot be achieved within 6 months but can be achieved within 12 months, the Trustee may at its sole and absolute discretion, approve up to an additional 6 Monthly Benefit payments.

Change: new rules for the introduction of a new benefit.

Reason for change: new rules for the introduction of a new benefit.

RULE 8 - CAPITAL BENEFITS

8.8. TRAUMA / CRITICAL ILLNESS BENEFIT

8.8.1. Where a Claimant has notified the Fund of an ASE/C set out in Appendix A to Rule 8, the Claimant may be eligible to immediately access the greater of \$100,000 or 10% of their NCB.

8.8.1.1. This amount must not exceed the remaining Capital Benefit Balance of the Member and will be deducted from any future Capital Benefit Balance payment and / or Death Benefit.

8.8.2. Appendix A of Rule 8 will be reviewed at intervals not exceeding twenty-four (24) months but not more frequently than every twelve (12) months and the Trustee may add, delete, amend conditions as required.

8.8.3. Notwithstanding Rule 8.8.2., a condition already included in Rule 8 Appendix A may be updated to reflect a medical reclassification, description or name change at any interval.

8.8.4. The review process will be completed in any review year to ensure that the revised Appendix will be available to all Members prior to the commencement of the subsequent Fund Year.

8.8.5. The review process will be led by the Trustee and the FMAs. It will reflect a consensus of the Trustee and those experts in determining those conditions that should be excluded for the assessment of Benefit payments. Such a review will be completed considering changes in diagnostic capabilities, improved medical interventions and the 'best practice' in managing complex health conditions. It will also balance the best interests of Members and the ongoing financial viability of the Fund.

Change: new rules for the introduction of a new benefit.

Reason for change: new rules for the introduction of a new benefit.

RULE 8 - CAPITAL BENEFITS (TRAUMA OR CRITICAL ILLNESS / EVENT BENEFIT)

Conditions	Notes
Cerebrovascular Accident (CVA)	Only including ischaemic or haemorrhagic stroke with such significant effects as to likely <i>Permanently</i> preclude a Member holding a Class 1 Medical Certificate or meeting the Class 1 Medical Standard.
Myocardial Infarction	Where the damage of a significant infarct has caused irreversible damage likely to <i>Permanently</i> preclude a Member holding a Class 1 Medical Certificate or meeting the Class 1 Medical Standard.

Amputation	Traumatic amputation likely to <i>Permanently</i> preclude a Member holding a Class 1 Medical Certificate or meeting the Class 1 Medical Standard.
Aggressive and / or terminal cancer	Where the prognosis of a serious cancer or the consequences of its treatment, is likely to <i>Permanently</i> preclude a Member holding a Class 1 Medical Certificate or meeting the Class 1 Medical Standard.
Permanent Severe central nervous system and or Spinal Pathology from illness or injury	Where damage to the central nervous system has caused irreversible dysfunction likely to <i>Permanently</i> preclude a Member holding a Class 1 Medical Certificate or meeting the Class 1 Medical Standard.

Change: insertion of new appendix.

Reason for change: insertion of new appendix for conditions that are considered for the new trauma or critical illness benefit.

RULE 9 - DEATH BENEFIT

9.3. DEATH BENEFIT – AMOUNT OF BENEFIT

9.3.1. Death Benefit shall be calculated as a base amount of \$150,000.

9.3.2. The Death Benefit shall increase by \$10,000 for each year of membership to a maximum of twenty five (25) years.

Change: amend existing rule.

Reason for change: base amount for death benefit is to increase from \$100,000 to \$150,000 and in order to allow to a maximum cap of \$400,000, this will require 25 years of membership.

CHANGE COMMENTARY FOR PROPOSED FUND RULES EFFECTIVE 1 MAY 2026

A summary of change will be provided for each segment with commentary on the proposed changes.

Any changes including clerical/administrative error(s) arising from an accidental slip or omission will be amended as per the current Rule 1.2.6. Slip Rule and such change will be written in blue within the respective proposed rule change.

It should be noted that all care has been taken to examine the cross-referencing within each rule, but should there be an anomaly, the anomaly shall be corrected and advice provided to Members as per the current Slip Rule.

Due to the change to from the current Contribution and Benefit Scale to a Single Contribution and Benefit Scale, all references to Premium Capital Benefit (PCB) have been removed. Any current references to Standard Capital Benefit (SCB) have been amended to be Nominated Capital Benefit (NCB).

There is also a change to the definition name of “Date of Disability” to “Date of Onset”.

RULE 1 - INTRODUCTION AND DEFINITIONS

1.1. BACKGROUND

Additional **Rule 1.1.1.1.** and **1.1.1.2.** to provide background on the upcoming changes regarding system availability and transition to the new proposed contribution structure.

Expand **Rule 1.1.4.** regarding the Fund’s support in balancing and managing risk.

1.1.7. TRANSITIONAL ARRANGEMENTS

Inclusion of a new rule to specify the change from the current product of Standard Capital Benefit (SCB) and Premium Capital Benefit (PCB) to the Single Scale Contribution as per Appendix 3A in the Proposed 2026 Rule Change regarding current cover and current restriction(s).

1.1.8. IMPLEMENTATION DATE

Inclusion of a new rule to allow early implementation of the 2026 Rules.

1.2. GENERAL

Change in **Rule 1.2.4.2.** reaffirms the Funds position on eligibility and the Trustee’s right to support/not support a membership application.

Add **Rule 1.2.5.2.** to reaffirm the effective Rules applicable to any events between Member and the Fund.

1.3. DEFINITIONS

Please refer to proposed rule change for 1 May 2026 for the definitions.

New definitions:

- Australian Federation of Air Pilots Rules (also known as “AFAP Rules”)
- Notification (Notifying Member)
- Objective Medical Diagnosis (Objective Medical Evidence)
- Poorly Managed
- Refunds of Contributions (also known as “ROC”)
- Valid Class 1 Medical Certificate

Amendment to definitions:

- Annual Membership Renewal
 - Cancellation
 - Capital Benefit Balance
 - Claimant
 - Date of Onset (Onset of ASE/C) – (previously known as “Date of Disability”)
 - Dependency Disorder(s)
 - (the) Fund
 - Member
 - Nominated Capital Benefit (also known as “NCB”)
 - Permanently Loss or Permanently Lost (Permanently)
 - Piloting Income
 - Provision Member(ship) (Provisional Cover)
 - Suspension
-

RULE 2 - MEMBERSHIP ELIGIBILITY

2.2. INITIAL MEMBER APPLICANTS

Rule 2.2.2.2. confirm that the Class 1 Medical Certificate required to join the Fund is the one issued by CASA.

Rule 2.2.2.3. change to eligibility for joining for applicants to be aged less than fifty-six (56) years where currently it is be aged less than fifty (50) years.

The changes with **Rule 2.2.2.4.** is to define the category of AFAP membership that determines one of the eligibilities for Fund membership.

Rule 2.2.2.6 to 2.2.2.7.3. from the current rules removed.

New Rule **2.2.2.6.** to reaffirm the Trustee’s responsibility in approving the application for membership.

2.4. REINSTATEMENT(S) – REINSTATED MEMBERSHIP

Amend reinstatement eligibility terms for members to have had not less than eight (8) years (from 5 years) continuously and have not been absent from the Fund for no more than six (6) years (from 3 years) preceding the date of their reinstatement application.

2.5. PROVISIONAL MEMBERSHIP/PROVISIONAL COVER

Rule 2.5.1. advises members that any benefits considered under Rule 8 and 9, while under Provisional Cover is only subject to 50% of the NCB.

Rule 2.5.4. where an applicant for Fund membership is incomplete or applicant has provided insufficient evidence to satisfy the Provisional Membership eligibility, the Trustee have the right to refuse Provisional Membership.

2.6. CLAIMANT – FULL CAPITAL BENEFIT ENTITLEMENT

Rule 2.6.1.

Amendment to Rule to manage join and claim.

In addition to sub-clause 2.6.1.1, the current rule specifies a maximum payment of 50% for eligible Capital Benefit Balance in the first 12 months of membership, subclause **2.6.1.2.** is an additional provision of a maximum of 75% of the Capital Benefit Balance for membership greater than 12 months but less than 24 months.

Rule 2.6.2.

Similarly to the above amendment, any increase amount applied and approved is subject to 50% if eligible for a capital benefit balance within the first 12 months of the increase as per subclause **2.6.2.1.** and 75% of the increased amount for the claims greater than 12 months but less than 24 months of membership.

Rule 2.6.3.

Notwithstanding the above amended and new rule, in the event of the Members (not including Provisional Members) death, application for the full payment of any eligible Benefits can be made.

2.7. ADMINISTRATIVE REQUIREMENTS

Rule 2.7.1.

Additional wording to allow other methods of application so long as it is approved by the Trustee.

RULE 3 - CONTRIBUTIONS

3.1. APPLICANT CONTRIBUTIONS – JOINING

Additional **Rule 3.1.2, 3.1.3, 3.1.4, 3.1.5, and 3.1.6** to reflect the changes for the new proposed single scale and remove the current joining band structure.

This means for Members joining up to 40 years of age, no loading percentage will be applied for any future increases in cover.

3.3. MEMBER CONTRIBUTIONS – PAYMENT BY INSTALMENTS

Include additional wording in **Rule 3.3.4.** and additional **Rule 3.3.6.** to reflect the current Monthly Terms and Conditions for members who pay their contributions by instalments.

3.5. PERIODIC REVIEW OF CONTRIBUTION RATES

Amend **Rule 3.5.1.** and **Rule 3.5.2.** to reflect the change from the current Contribution and Benefits Scale to the new proposed single scale. This includes references to loading percentages being at the attained age.

3.6. TRANSITIONAL RULE – SIGNIFICANT INCREASE IN CONTRIBUTION RATES

New **Rule 3.6.** to assist members whose contributions are in excess of \$250 compared to their 2025-26 Contributions for the same level of cover during the transition to the new single scale.

Amend **Rule 3.7.5.** to identify the calculations for ROC prior to the proposed 2026 change rules being effective and then calculation for ROC once the 2026 rule is in effect.

RULE 4 - MEMBERS CHANGING BENEFIT AMOUNTS

4.1. NCB – LESS THAN MAXIMUM AVAILABLE FOR AGE

Amend this rule and its subclause to reflect the change from the current structure of multiple joining bands to use a single scale for members aged 18-64.

Members who increase cover after age 40 and 45 will no longer be forced to use joining band 2 and 3 scale.

4.3. INCREASES IN COVER CONSIDERED ‘NEW’ APPLICATIONS

Additional wording in **Rule 4.3.1.** to reaffirm the Trustee’s position in the imposition of restrictions whether Limited Cover or Zero Cover for any declared and pre-existing medical conditions as appropriate.

New **Rule 4.3.3.** follows the new practice for reduced benefits for the approved increased amount in accordance with the new proposed **Rule 2.6.2.**

CURRENT RULE 4.5. TIMING OF CHANGES TO SCB AMOUNTS

CURRENT RULE 4.6. PREMIUM CAPITAL BENEFIT (PCB)

Remove current rule 4.5. and 4.6. as they are no longer applicable as per proposed rule change.

RULE 4.5. TRUSTEE TO REVIEW APPLICATIONS AND INCREASES TO BENEFITS

Additional wording to **Rule 4.5.1.** to reaffirm the Trustee’s position in their decision for application.

RULE 6 - RESTRICTED BENEFITS

6.2. INCOMPLETE, FALSE OR MISLEADING CLAIMS AND APPLICATIONS

Additional wording to remove entitlement from not just Benefits but also be ineligible for Fund Membership, should the incomplete, false or misleading information be made knowingly by the Member.

RULE 7 - MONTHLY BENEFITS

7.7. LIMITED COVER – MONTHLY PAYMENTS

Remove current **Rules 7.7.1.1., 7.7.1.1.1., 7.7.1.2.** and **7.7.1.2.1.** to simplify the calculation method for payment of conditions with a limited cover restriction.

RULE 7 - MONTHLY BENEFITS - APPENDIX A

Condition – **All Mental Health Conditions** – increase the eligibility of benefits from 6 monthly benefits to 12 monthly benefits.

Add Condition – **Poorly Managed Hypo / Hyperglycaemia** and apply eligibility of 6 monthly benefits.

RULE 8 - CAPITAL BENEFITS

8.1. ELIGIBILITY FOR CAPITAL BENEFITS

New **Rule 8.1.2.** to reaffirm the Trustee’s position in approving a Capital Benefit Balance where the ASE/C is supported by objective medical evidence.

8.3. COMPLETION OF THE CLAIM AND CESSATION OF LIABILITY

Additional wording to **Rule 8.2.1.** for the exception to the cessation of a liability which follows the current practice.

8.4. LIMITED COVER – CAPITAL PAYMENTS

New rule to reaffirm the treatment for conditions being claimed for that has a limited cover restriction.

8.10. WHERE MEMBER REGAINS CLASS 1 MEDICAL CERTIFICATE

New rule included to reflect the current practice of requiring a Capital Benefit Balance recipient to repay the Capital Benefit Balance amount should the recipient regain their Class 1 Medical Certificate within 5 years of payment.

8.11. DEED OF ACKNOWLEDGEMENT

New rule included to reflect the current practice of requesting members to sign a Deed of Acknowledgement upon a Capital Benefit Balance being approved in order for payment to be made.

RULE 9 - DEATH BENEFIT

9.1. ELIGIBILITY FOR DEATH BENEFIT

Additional wording to **Rule 9.1.1.** to clarify the death benefit shall not be approved if the cause of the Member's death was due to a condition that is subject to Zero Cover.

RULE 10 - CESSATION OF MEMBERSHIP

10.3. UNEMPLOYED MEMBERSHIP AND CESSATION OF MEMBERSHIP

New rule **10.3.2.** to reflect the current practice for members who are current claimants/notifications, who are unable to regain their class 1 and subsequently unable to obtain employment.