



# Can I claim TPD and income protection benefits at the same time?

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If you're unable to work due to illness or injury, you might be wondering whether you can receive both [Total and Permanent Disability \(TPD\)](#) benefits and [income protection payments](#) at the same time. The good news is that, in many cases you can, depending on the specific terms of your insurance policies.

This article explains how TPD and income protection insurance work, how they differ, and what you need to know about claiming both simultaneously.

## What is TPD insurance?

Total and Permanent Disability (TPD) insurance provides a lump sum payment if you become totally and permanently disabled and are unable to work again in your usual occupation or any occupation for which you're suited by education, training, or experience.

### Key points

Usually provided through superannuation funds or purchased as a standalone policy.

If eligible, paid as a one-off lump sum (note, some super funds are moving to a system of paying TPD benefits in instalments).

Designed to help cover living expenses, medical costs, home modifications, and other long-term needs.

# What is income protection insurance?

Income protection insurance pays a monthly benefit if you're temporarily unable to work due to illness or injury.

## Key points

Typically replaces up to 70–75% of your regular income.

Paid as a monthly benefit for a set period (e.g. 2 years, 5 years, or up to age 67).

Meant to help cover day-to-day living expenses while you recover.

## Can you claim both TPD and income protection benefits at the same time?

Yes, in most cases, you can receive both TPD and income protection payments. That's because these benefits are designed to cover different needs and circumstances.

Here's how it works:

**Income protection** covers your income while you're temporarily unable to work but still undergoing treatment or rehabilitation.

**TPD insurance** provides a one-off lump sum if you're unlikely to ever work again in your usual occupation or any suitable work.

## Key considerations before claiming both

While it's generally possible to claim both, there are a few important things to consider:

### Your insurance policy terms and definitions

Insurance policies vary between providers.

Some policies might have offset clauses that reduce one payment (or result in them stopping altogether) if you receive

another.

Check the definitions of disability in both policies. TPD definitions (like “any occupation” vs “own occupation”) can affect eligibility.

## The timing of each claim

Income protection usually starts after a waiting period (e.g. 30, 60, or 90 days).

TPD typically also have a waiting period and can also take longer to assess because it requires evidence that your condition is permanent.

## Income protection offsets

Most income protection policies have offset clauses if you receive other income or benefits, such as workers’ compensation.

## Tax implications

Income protection payments are generally taxed as income.

TPD lump sum payments paid through superannuation are typically taxed at a significantly lower rate, depending on your age and how the payment is structured. However, it is always important to get proper advice from a qualified tax professional regarding the tax implications of receiving TPD benefit payments.

# How to make a claim for TPD and income protection

Here’s a step-by-step guide to help you navigate the claims process.

## Claiming a TPD benefit

**Step 1:** Contact your superannuation fund or insurer to request the necessary TPD claim information and claim documentation.

**Step 2:** Gather medical evidence showing your condition is permanent and prevents you from returning to work.

**Step 3:** Complete the claim form and provide supporting documents, including medical reports and employment history.

**Step 4:** Submit the claim and supply any additional evidence as requested by the insurer

## Claiming income protection benefits

**Step 1:** Notify your insurer or super fund of your illness or injury.

**Step 2:** Obtain the necessary medical certificates from your treating medical service providers (preferably a specialist) confirming your inability to work.

**Step 3:** Fill out the claim form with details of your employment and income.

**Step 4:** Submit the claim and supply any additional evidence as requested by the insurer.

## What happens after your claim is approved?

**Income protection:** You'll receive regular monthly payments until you recover, reach the maximum benefit period, or reach retirement age (depending on your policy).

**TPD benefit:** You'll receive a lump sum payment.

## Tips to maximise your TPD or income protection claim

**Check your policy:** Understand definitions, waiting periods, and benefit offsets.

**Keep records:** Save all medical reports, correspondence with insurers, and receipts for medical expenses.

**Seek advice:** If you're unsure, talk to a lawyer who specialises in insurance claims.

You read more about this in our earlier blog, ["How to maximise your chances of a successful TPD claim"](#).

## Common questions when claiming both TPD and income protection

Will receiving a TPD lump sum reduce my income protection payments?

Generally, no. Most TPD benefits (especially those paid via superannuation) are treated as separate lump sum payments and do not affect your monthly income protection benefits. But keep in mind that some income protection policies will stop payment of benefits if you are successful in claiming a TPD benefit with the same insurer. Always check and get advice if you are not sure.

What if my TPD claim is rejected, but I'm still receiving income protection payments?

You can continue to receive income protection payments as long as you meet the insurer's ongoing requirements. You might also be able to appeal the TPD decision. You can read more about this in our earlier blog, ["How to appeal a rejected TPD claim"](#).

Can I make a TPD claim if I'm already receiving a disability pension?

Yes, you can still lodge a TPD claim even if you're receiving a government disability support pension.

## Final thoughts

If you're facing a serious illness or injury that stops you from working, knowing your entitlements to some financial support is crucial. In most cases, you can claim both TPD and income protection benefits, which can help ease financial stress and provide for your long-term needs.

Always check the specific wording of your policies and seek advice if you're unsure about how they operate in your particular situation. Understanding your options will give you the confidence to make the best decisions for your future.

## Get legal help

We can assist you with lodging your TPD and/or income protection claim to maximise the potential of success. We can also assist if you've already lodged your claim but are facing hurdles dealing with the insurance company.

We provide free initial advice so it costs you nothing to find out where you stand.

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*This article is of a general nature and should not be relied upon as legal advice. If you require further information, advice or assistance for your specific circumstances, please contact us.*