WILTSHIRE

FRIENDLY

SOCIETY LIMITED

Protecting your greatest asset

Why you should provide Income Replacement insurance for your employees

Your employees are vital to the success of your business. The information that follows will help you, as an employer, understand the benefits of Group Income Replacement in providing financial protection to you and your employees.

What is Group Income Replacement Insurance?

It is an insurance arrangement that enables you as an employer to pay employees a proportion of their earnings if they are unable to work due to illness or accident.

The Group Income Replacement experience Wiltshire Friendly delivers is not just about paying valid claims. It's about our early proactive intervention in their rehabilitation which can help employees to return to work as soon as they are fit to do so… which may help reduce your cost of sickness absences.

Why insure your employees against illness and accident and what is the benefit to you as an employer?

- Offering a range of employee benefits, including Group Income Replacement, can attract and improve retention in employees. This is an investment in their health and wellbeing and shows you care!

- Absences can be more effectively managed. You will not need to have the potentially difficult conversations with absent employees – Wiltshire Friendly will help support their return to fitness and work allowing you to concentrate on running your business.

- Can help you to meet your financial and legal obligations, such as Statutory Sick Pay and your own sickness scheme financial liability.

- In most circumstances Group Income Replacement premiums count as a business expense for tax purposes.

What is the benefit to your employees of being insured against illness and accident?

Employees don't always prioritise their financial protection.

An employer providing replacement income at a level that can exceed the minimum statutory amount, will help support employees in meeting their ongoing financial commitments so they can concentrate on returning to full health and work.

How would Wiltshire Friendly's Group Income Replacement plan work?

You select the level of protection you want to provide to your employees in respect of the:

- weekly or monthly earnings, up to 75% of their total income;
- waiting period before the benefit becomes payable, from as soon as 4 weeks;
- length of time for which benefit can be payable, from 6 months up to State Pension age (also subject to other claim cessation criteria which may apply sooner).

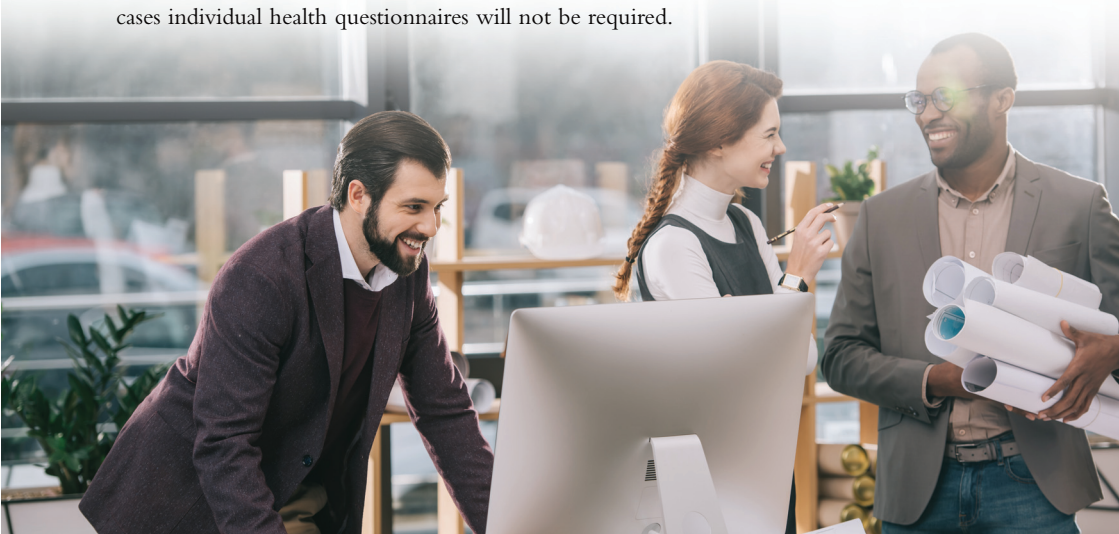
Employees can then choose to personally enhance that level of cover if they wish via their own plan.

When a claim is being paid, you receive a regular payment in respect of the benefit due for the employee who is off work, which is then paid to the employee under your normal PAYE process.

What is the application process?

You establish your specific needs and link that to the product options available. Getting a quote is then easy… you provide the required employee data and we send you a scheme quotation.

Once costs and benefits have been explained, and a decision is made to proceed, just one simple application is required to initiate the process… and a free cover limit means in many cases individual health questionnaires will not be required.



How does Wiltshire Friendly work with you in administering the scheme?

We make it easy to set up, run and pay benefits under the scheme. A dedicated team will regularly assess claims to help and support employees to recover and return to work.

What are the tax implications?

The following is based on current legislation and HMRC practice which could change in the future.

The premium is normally a deductible business expense.

Benefit received under a claim is classed as business income and is taxable and when paid under PAYE to an employee is a trading expense, hence tax neutral. This does not apply to Partners or proprietors and may not apply to working Directors.

The employee receives the benefit as normal income.

Why choose Wiltshire Friendly?

Wiltshire Friendly has been providing income replacement schemes since 1887 - it's the only type of insurance we offer.

Wiltshire Friendly Society is a mutual Society which means we only work for our members. Being a mutual means that we are owned by our members and have no shareholders to consider.

You only find out how good your insurer is when you come to claim, and we don't look for excuses to refuse genuine claims – we know that's when our members need us most. Instead we aim to make sure claims are assessed and benefit is paid as efficiently as possible.

As you can see from the statistics on the left we look for reasons to pay a claim rather than looking for reasons not to pay.

To find out more please contact the Society using the details below.

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