

# Stay on top of everything

A Guide to Executive Income Protection  
for Key Employees/Owner Directors



Executive Income Protection

  
ROYAL  
LONDON  
IRELAND

# What's inside

So, what exactly is it?	4
Choosing the cover	5
Additional features	9
Our Helping Hand service	18
Occupational information	20
Our approach to claims	22
Want to know more?	25

## Welcome to Royal London Ireland

We've a strong heritage in Ireland and have been protecting customers here for over 190 years, most recently known as Caledonian Life. Based in Dublin, we're a fully owned subsidiary of The Royal London Mutual Insurance Society Limited – the largest financial life, pensions and investments mutual in the UK. Our parent company's mutuality, meaning it is customer and member owned with no shareholders, allows us to adopt a mutual mindset. This means we take a longer-term view and focus on providing best customer outcomes. Whoever you are and whatever your aims, we'll look to provide you with great long-term value, first class service and support at all times.

## Key Information

The purpose of Executive Income Protection Cover is to enable you to provide your employees with a regular income if they are unable to work due to illness or injury for a certain period of time and suffer a loss of earnings as a result.

Your employee must be totally unable to perform the essential duties of their normal occupation and not be engaging in any other occupation. Executive Income Protection is designed solely to provide protection benefits and there is no surrender value payable at any stage under the policy.

At the time of a claim, your employee's earnings must be at or above the level that justifies the amount of cover you have chosen. If not, a reduced benefit is payable. In this case, Royal London Ireland will not refund any part of the payments you have made. Full details relating to the maximum amount of Income Protection benefit that will be paid if you make a claim are contained in the policy conditions booklet.

Under current legislation, the benefit payments will be made gross to you the employer, as owner of the product. You deduct the relevant tax, PRSI and Universal Social Charge (USC) amounts under the PAYE system, before paying the benefit to the employee.

This brochure is designed as a quick reference to the main features of your Executive Income Protection policy. It should be read in conjunction with the policy conditions booklet which contains full details of the benefits provided and the terms and conditions which apply.





# Is Executive Income Protection from Royal London Ireland suitable for you?

Could be suitable if you:	May not be suitable if you:
Are a business owner and want a policy that allows you to pay a regular income to selected employees if they are unable to work due to illness or injury.	Want a policy to financially protect your business if selected employees were to pass away or be made redundant.
Want to cover the cost of employer pension contributions if selected employees are unable to work due to illness or injury.	Have sufficient capability to continue employer pension contributions.
Want a policy that can enhance employee loyalty by ensuring they will be paid if they are unable to work due to injury or illness.	Are happy with your current employee loyalty schemes.
Want to receive regular payouts upon a successful claim.	Want to receive a lump sum upon a successful claim, rather than regular payouts.
Want a policy with monthly premiums that don't change* – unless you want to increase your cover – and that qualify as tax-deductible business expenses.	Are looking for a policy with flexible premiums.
Want cover which can last until selected employees reach age 70 and that continues despite the number of claims made.	Want cover lasting longer than age 70.
Want cover which includes benefits like Hospital Cash Benefit, Proportionate Payment, Back to Work Benefit, Linked Claims Benefit, Guaranteed Insurability Option and Continuation Option.**	
Want the option to pay more for additional benefits like Indexation and Escalation in Claim to offset the negative effects of inflation.	

\* However, the Government levy of 1% (as at January 2023) which is included in your premium may change in the future.  
 \*\* You can find all the details of these benefits in the Additional Features section of this brochure.

# So, what exactly is it?

**Executive Income Protection from Royal London Ireland is designed to provide employees, whether they are owner-directors or valued members of staff, with an income if they are unable to work due to illness or injury.**

How long could your business afford to pay an employee an income while they are on sick leave?

## How it works

Executive Income Protection is owned by the employer and taken out on behalf of employees, who must work more than 16 hours a week. The premiums are paid by the employer and these premiums should qualify as a tax deductible expense for the business. This can make it a very efficient way to protect employees' salaries.

If the employee is unable to work due to illness or injury, then, after an agreed amount of time, an Income Protection benefit will be paid to the employer, who could use it to continue to pay the employee a salary.

Payments continue either until the employee is well enough to return to work, or their policy ends.

## Advantages for employers:

- Protects a significant proportion of selected employees', including Directors', income.
- The cost of sick-leave can be effectively managed.
- Employee loyalty can be enhanced.
- The cost of employer pension contributions can also be covered.
- The policy premiums can qualify as a deductible business expense for tax purposes.

## Advantages for employees:

- If they're unable to work because of an illness or injury, additional financial worries may ease as a significant proportion of their income may be paid.
- If unable to return to work, their Income Protection benefit continues until they reach the expiry age set out in the policy.
- The cost of the policy is fully paid by their employer.
- Access to our Helping Hand service which offers one-to-one support from an independent, qualified nurse to help them cope with their situation. See page 18 for more information.

# Choosing the cover

## The amount of income protected

You can cover up to 75% of your employee's earnings, less the personal rate of the state illness benefit if they are entitled to it, up to a maximum of €262,500.

When choosing the level of Income Protection benefit you want to provide, you should also consider any other insurance plans they may have that provide cover for accident, illness or injury. Otherwise you could be paying for more Income Protection benefit than it's possible to claim.

These limits apply so that the benefit provided during sick leave is not higher than your employee's normal earned income and they have an incentive to return to work.

The state illness benefit is administered by the Department of Employment Affairs and Social Protection and is subject to qualifying conditions. For more information visit [www.welfare.ie](http://www.welfare.ie)

Your Financial Broker is best placed to advise you on the level of cover that best suits your business needs and circumstances.

**For example:** ABC Ltd has an Executive Income Protection policy for Ted. He earns €100,000 a year and is eligible for the state illness benefit, currently up to €220 a week.

The maximum cover amount ABC Ltd can put in place for Ted is 75% of his income, (€100,000\*75%) less his state illness benefit of €11,440 (€220\*52); €63,560.

## Cover employer contributions to the employee's approved pension scheme

The maximum amount of employer pension contributions you can protect is 35% of earnings, up to a maximum of €50,000. Evidence of such contribution may be required.

# Choosing the cover continued

## Please note:

- Income Protection only covers earned income. The following cannot be included when calculating your employee's income or benefit level:
- Income from savings
- Income from investments (except if 'employee' is an owner/director and is paid dividends in lieu of a regular salary)
- Income from sale or rental of property or other goods
- Income from a pension

## More than one Income Protection policy

Your employee can have more than one Income Protection policy in force at the same time. However, the total sum of the benefits from your employee's Income Protection policies shouldn't exceed 75% of their earnings (less the personal rate of the state illness benefit if they are entitled to it).

**For example:** Your employee Susan has an existing Personal Income Protection policy, covering 50% of her salary. You can apply for an Executive Income Protection policy to cover part of Susan's remaining salary and/or some of her pension.



## How long cover should last

When taking out the policy, you choose the expiry age that best suits your business. This is when your employee's cover will end and you can select any age between 55 and 70.

Many people will choose an expiry age to coincide with the standard retirement age of their employee. And, as the age of retirement is increasing, we offer **expiry ages up to age 70**.

Please talk to your Financial Broker to make sure this age applies to your business as certain occupations have lower expiry ages.

## When you want the Income Protection benefit to start

There is an amount of time your employee has to be off work continuously, due to illness or injury, before their Income Protection benefit starts being paid. This is called the **Deferred Period**. You can choose a Deferred Period of 4, 8, 13, 26 or 52 weeks.

This period is sometimes based on the amount of time you are willing or can afford to keep paying a salary to an employee on sick-leave. This way, as soon as that amount of time passes, your employee's Income Protection benefit from Royal London Ireland would start.

The length of Deferred Period you choose will impact the cost of the policy, as the longer the Deferred Period, the lower the monthly premium.

**For example:** BA Ltd has an Executive Income Protection policy for Mary. They selected one Deferred Period of 4 weeks.

Mary goes on sick leave from work.

Once 4 weeks pass, the Income Protection benefit from BA Ltd's Executive Income Protection policy becomes payable and will then be paid monthly in arrears.

# Choosing the cover continued

## **For additional flexibility, you can choose two Deferred Periods within the policy.**

So, for example, you could provide a certain amount of Income Protection benefit after a shorter Deferred Period. And then, after a longer Deferred Period, provide a higher Income Protection benefit amount. This may be useful if you can provide sick pay for a short amount of time or to help reduce the overall cost of cover.

We recommend discussing your options with your Financial Broker to ensure you choose the best Deferred Period(s) to suit your business.

## **Indexation to help protect the cover from the effects of inflation**

Inflation impacts the general cost of living, as it means the price of goods and services increases over time. By adding Indexation to the policy, your employee's cover increases by 3% each year, in return for a 3.5% increase in your premiums each year.

In the event of a valid claim, the Income Protection benefit will continue to increase by 3% each year while the claim is being paid. This helps offset the negative effects of inflation.

Indexation helps maintain the purchasing power of the Income Protection benefit.

## **Escalation in Claim**

You can also opt to include the Escalation in Claim option on your policy. This means that the Income Protection benefit amount will increase annually if your employee is unable to return to work more than one year after a claim. So, if you choose to add this to your policy and in the future you make a claim and receive the Income Protection benefit, the amount you are paid will increase by 3% each year to help keep pace with inflation.

There is an additional charge for this option that depends on factors related to your policy and is included in your guaranteed premium. Your Financial Broker can give you this detail.

# Additional features

## **Hospital Cash Benefit**

### **Benefit payable when your employee is hospitalised for over a week.**

If your employee is admitted to hospital, a daily income is payable for every day they spend in hospital after day 7. This benefit is payable during the Deferred Period only and will continue for a maximum of 90 days for any one hospital stay.

The benefit must be claimed within 6 months of the date of hospitalisation. A benefit limit of 365 days in total applies for the duration of the policy.

**For example:** Joan was admitted to hospital and was an in-patient for 15 days. The Hospital Cash Benefit was payable for 8 days of her hospital stay. Joan does not have to use this benefit to pay medical expenses; she can use it for any purpose.





# Additional features continued

## Proportionate Payment

**A partial benefit may be payable if your employee returns to work on reduced earnings.**

We want to help your employee get back to work, even in a limited capacity. So, if as a result of their illness or injury your employee is only able to return to your business part-time or has to take an alternative role with a lower income, they may be eligible for a proportionate payment to help make up for some of those lost earnings.

**For example:** Jack works 40 hours a week and earns €60,000 per annum. Jack's employer, XYZ Ltd, has an Executive Income Protection policy with Royal London Ireland protecting €30,000 p.a. of Jack's salary, with an expiry age of 65.

Following a car accident, Jack was unable to work. While off work, after the end of the Deferred Period, the Income Protection benefit commenced.

After 10 months, Jack's doctor advised he could return to work, but only on a part-time basis. His part-time earnings would only be €15,000 p.a., and so his income has reduced by 75% compared to before his accident.

The proportionate payment is calculated based on this 75% reduction in earnings, and so a gross benefit amount of €22,500 p.a. ( $€30,000 * 75%$ ) will be paid from the policy. The benefit is paid gross to XYZ Ltd, and they will deduct the relevant tax, PRSI and USC amounts before it is paid to Jack.

Payments will continue either until Jack's health improves sufficiently that he can return to full-time work or he reaches age 65.

## Back to Work Benefit

**Gives your employee financial support on their return to full-time work following a long-term claim.**

We want to help your employees get back to work. We also understand that returning to work after a long period of time can be an adjustment. While they may be happy to be back working, it can take time to return to a working routine.

To help with this financially, we will pay 75% of your employee's monthly Income Protection benefit for their first month back in work, 50% in month two and 25% in month three.

The benefit is payable if your employee returns to full-time work having been in receipt of Income Protection benefit for at least one year.

The Back to Work benefit may be claimed only once during the policy and it is not payable where immediately prior to returning to full-time work they have been in receipt of a proportionate payment.

**For example:** John was on sick leave from work for 18 months. During that time, after the end of the policy's Deferred Period, a gross benefit amount of €2,250 was paid each month from the Executive Income Protection policy.

When John was fit to return to work, the first month back, a gross amount of €1,687.50 ( $€2,250 * 75%$ ) was paid from the policy.

The second month back at work a gross amount of €1,125 ( $€2,250 * 50%$ ) was paid. On his third month back at work a final gross payment of €562.50 ( $€2,250 * 25%$ ) was made.



# Additional features continued

## Linked Claims Benefit

**Restarts claim payments if your employee relapses after returning to work following a claim.**

If within six months of returning to work following a claim your employee has to stop working again for the same reason the original claim was based on, you will not have to wait a Deferred Period to start receiving the Income Protection benefit.

If you have chosen two Deferred Periods on the policy, the Income Protection benefit payable, following a linked claim, will be the benefit amount payable prior to your employee returning to work. Although, any changes in your employee's earnings may affect the maximum amount of Income Protection benefit that is payable.

Where this benefit amount is based on the first Deferred Period, then the higher benefit amount payable from the end of the second Deferred Period will start when the amount of time your employee is off work due to the original claim, when combined with the amount of time off work due to the linked claim, is equal to the second Deferred Period.

**For example:** Mark's employer has an Executive Income Protection benefit protecting €18,000 p.a. of Mark's salary. The policy has two Deferred Periods with a benefit of €6,000 p.a. (€500 gross per month) payable after 13 weeks and the remaining €12,000 p.a. (€1,000 gross per month) payable after 52 weeks.

Following a claim, a benefit of €500 gross per month was paid from week 13 of Mark's illness. Mark returned to work following a total of 37 weeks sick leave. After being back in work for five months, Mark suffered a relapse and was unable to continue working.

Royal London Ireland were notified and provided with the relevant medical information confirming that Mark was unable to work for the same reasons as the original claim.

The Income Protection benefit of €500 gross per month started to become payable again immediately. After 15 weeks, the Income Protection benefit amount of €1,000 gross per month became payable (original 37 weeks plus 15 weeks = 52 weeks).

## Essential Activities Benefit

**This provides lower cover during career breaks, excluding unemployment.**

We understand that people's circumstances can change over time. So, if your employee decides to take a career break or change to working on a part-time basis (less than 16 hours a week), they will not be covered under the Income Protection benefit. However, they will continue to be covered for the Essential Activities Benefit. This is payable if they are unable to carry out certain personal activities, e.g. walking, as defined in the policy conditions. The benefit amount is the lower of €15,000 a year and the Income Protection benefit amount.

If notified of the change in your employee's circumstances, the policy premiums will be reduced during this time to reflect any reduction to their full cover.

If the employee returns to work within 12 months of the policy switching to our Essential Activities Benefit, you can reinstate their full cover without having to provide any new medical evidence.

In the event your employee becomes unemployed, cover under the policy will end.





# Additional features continued

## Guaranteed Insurability Option

**Allows you to increase cover as income grows.**

As your employee moves through their career, their income is likely to increase with their experience. To allow their Income Protection cover to reflect this, you can increase it by up to 20% of the original cover amount every three years, without any new medical evidence being required.

This option is available to you until you decide not to use it on two consecutive occasions. The maximum total increase during your policy is 100% of the initial cover amount, subject to maximum cover limits.

It is important to note that, before increasing the cover, you should consult your Financial Broker to make sure any increases are within the maximum cover limits payable on your policy. Royal London Ireland may request evidence of earnings to justify that any increase is within the maximum cover limits.

**For example:** Company B has an Executive Income Protection policy on behalf of Ben, with cover of €50,000 per annum. Three years after taking out the policy, Company B decides to increase the cover amount provided by 20%. On the 6th and 9th anniversary of taking out the policy, they again decide to increase cover by 20%. Each time, the cover amount provided for Ben increases, the premiums paid by Company B also go up to reflect the change.

**For example: Original cover of €50,000 per annum.**

Top up	Increase	Cover amount
In year 3	20% of €50,000 = €10,000	€60,000 from year 3
In year 6	20% of €50,000 = €10,000	€70,000 from year 6
In year 9	20% of €50,000 = €10,000	€80,000 from year 9

## Continuation Option

**A benefit which allows an Executive Income Protection policy to be replaced with a Personal Income Protection policy.**

Your employee shouldn't have to lose the benefits of their Income Protection policy if they get a new job with another company, become self-employed or you decide you no longer wish to pay the policy premiums.

In this instance, they may apply to us to replace the cover under the Executive Income Protection policy with a new Personal Income Protection policy. We won't look for evidence of health as long as the cover and benefits are identical to or lower than those provided under the original policy.

If the original policy has any ratings or exclusions, the same terms and conditions will be applied to the new Personal Income Protection policy. We will issue the new policy under our normal terms and conditions which apply to Personal Income Protection at the time that the Continuation Option is used.

**For example:** XYZ Ltd has an Executive Income Protection policy covering Aoife, one of its key employees, with an annual benefit of €40,000 and a Deferred Period of 26 weeks. Aoife takes a job in another company which doesn't provide Income Protection to its employees. However, Aoife can avail of the Continuation Option under the existing Executive Income Protection policy and applies to Royal London Ireland for a Personal Income Protection policy with the same annual benefit and Deferred Period. She will be responsible for paying the new policy premiums. By using the Continuation Option, Aoife won't have to answer any medical questions when she applies to us for the new policy.



# Additional features continued

## Premium related features

**Your premiums may qualify as a tax-deductible business expense.**

The gross premium is payable to Royal London Ireland and the tax relief must be claimed from Revenue. It is your responsibility to claim tax relief.

The tax treatment will depend on your individual circumstances. If you are unsure of any aspect of the tax treatment of premiums or benefits, please contact your Financial Broker for more information.

## Waiver of premiums

Where an Income Protection benefit is being paid, you will not have to pay the premium related to that benefit. This is called a **waiver of premiums**.

If you choose two Deferred Periods on the policy, you will need to pay premiums for any benefit that is not in payment. Premiums also remain payable during any period while a Hospital Cash Benefit or Back to Work benefit is being paid.

**For example:** Tom has a car accident and goes on sick leave from work. Following his selected Deferred Period on his employer's policy, the Income Protection benefit starts being paid.

While the Income Protection benefit is being paid, his employer does not need to pay any monthly premium payments to Royal London Ireland on Tom's policy. But, if Tom is well enough to return to work in the future, the premiums will resume until he reaches his selected expiry age.

## Premiums are fixed

The premium, unless you choose Indexation, is guaranteed to stay the same throughout the policy, as long as the chosen benefits remain the same.

However, the Government levy of 1% (as at January 2023) which is included in your premium may change in the future.

## Changing jobs

If your employee changes roles within your business, their Executive Income Protection policy will continue to protect them, regardless of their new job.

## Changing employer

If your employee changes jobs and moves to another company, their new employer can take over the policy, if you agree to it. The new employer must agree to the policy conditions and accept responsibility for paying all future premiums, which will remain unchanged. Both employers will need to complete and sign a form provided by us to complete the change in ownership.

## Terminal Illness Cover

If you claim due to your employee having a Terminal Illness and they have been diagnosed with less than 12 months to live, the Income Protection benefit payments will start immediately.

## Maternity and Paternity Leave

You're eligible to apply for an Executive Income Protection policy for your employee while they are on maternity or paternity leave. However, acceptance terms are subject to full underwriting.

Your employee's Income Protection policy will continue to protect them during their maternity or paternity leave and premiums are still payable.

## Pre-existing conditions

An additional premium or an exclusion may be applied to the policy if your employee has a pre-existing medical condition at the time that the Income Protection policy is taken out.

Common exclusions seen for Income Protection include:

- A mental health exclusion if a person has a history of anxiety, stress or depression.
- A musculoskeletal exclusion if a person has a history of a back, neck or shoulder disorder.

# Our Helping Hand service

## Protecting more than just your finances – with a Helping Hand

We believe good protection is about more than just money. That's why Executive Income Protection comes with Helping Hand, a comprehensive and personal support service, at no extra cost.

If you ever suffer a serious illness, injury or bereavement, Helping Hand provides you with the additional support you might need beyond a financial payout.

We work with a company called RedArc who'll give you access to the support of a dedicated nurse. They'll provide tailored and personal support whenever it's needed, for as long as it's needed. With over 20 years' experience, RedArc has earned a reputation for service excellence, supporting individuals and their families through serious illness, chronic health conditions, bereavement and disabilities.

While your medical team focuses on your treatment, RedArc helps by providing 'softer' skills – a friendly listening ear, practical information, and much needed emotional support for both you and your family. (When we say 'family' we mean the spouse or partner of the Royal London Ireland Life Assured and their children.)

To help speed up recovery, specialist therapy may also be provided through Helping Hand, such as:

- Bereavement counsellors *or*
- Speech and language therapists *or*
- Face-to-face second medical opinion *or*
- Complementary therapies *or*
- Physiotherapy for specific, serious health conditions *or*
- Many others according to nurse assessment.

These extra specialist therapies are only provided if recommended by your personal RedArc nurse and are limited to one type.

Helping Hand is available to use from the day your policy starts – not just when making a claim. It doesn't cost anything extra to use and your partner and children can use it too. And once your support from your RedArc nurse starts, there's no limit to how often you can speak to them.

Helping Hand is an additional service offered with all new Royal London Ireland policies. The service can be amended or withdrawn at any time.





# Occupational information

**The purpose of Executive Income Protection is to provide an income if your employee is unable to work because of an illness or injury.**

Royal London Ireland will assess an employee's ability to work based on their normal job and whether they can carry out the essential duties it requires. In insurance terms, this is called **'own occupation'** cover.

Because of this, the availability and cost of Executive Income Protection cover is directly related to your employee's job or occupation.

Some occupations are considered to be a higher risk than others. For example, an accountant will generally pay a lower premium for the same level of cover compared to a builder. This is simply because the builder has a higher chance of suffering an accident at work compared to an accountant. If your employee needs to drive or undertake air travel as part of their occupation, this can affect their occupation class.

Due to the degree of occupational risk involved, there are some occupations that will not be accepted by us for Executive Income Protection cover (e.g. labourer, HGV driver, scaffolder).

There are four different occupational classes for cover. The lowest risk occupations have the lowest premiums while higher risk occupations have higher premiums. This is based on a standard risk assessment across occupations.

**Although there are some exceptions for certain occupations, the four broad categories available are;**

Category	Description
<b>Occupational class 1</b>	Occupations with no appreciable accident or health risk. Often 100% administrative duties (e.g. administrative worker, bookkeeper)
<b>Occupational class 2</b>	Occupations involving minimal manual work (e.g. surveyor, sales representative)
<b>Occupational class 3</b>	Skilled occupations which may include some light manual duties (e.g. chef, printer)
<b>Occupational class 4</b>	Skilled tradespeople and manual occupations (e.g. plumber, shop fitter)

Please ask your Financial Broker for more information regarding these categories and to find out the occupation class that would apply to your policy.





# Our approach to claims

**We try to make it as easy as possible to make a claim because we don't want you to have to deal with unnecessary procedures.**

If you have to make a claim on your Executive Income Protection policy, you will be assigned a dedicated claims assessor based here in Ireland to assess and manage your individual claim. We will always be available to help with any queries you have and will aim to keep you up to date with how your claim is going.

## How the claim process works

The first step in making a claim is to let us know immediately about any change in situation for your employees, either by contacting us directly or through your Financial Broker.

We will then issue a claim form, which you must complete and return to us before we can consider a claim.

On the claim form, it will ask you questions about your employee's illness or injury and their occupation and income. It will also ask about any other types of income or entitlements they may have, including any other insurance policies.

In addition to the claim form, we will also ask for information and documentation that we reasonably require to assess the claim. Full details of the information we may require are contained in the policy conditions. We will pay the cost of all reports or evidence requested by us except the cost of obtaining at any time medical certificates from the doctor who has treated or examined your employee in respect of the disability.

In general, when we receive your claim, your employee's ability to carry out their normal job following an illness or injury will be assessed. Claims are reviewed to ensure they meet the definition of disability – in basic terms, the inability to work because of illness or injury – as shown in the policy conditions.

Once accepted, we will pay you a monthly income for your employee following the end of the policy's Deferred Period. Payments will continue until they are well enough to return to work, or they reach the policy expiry age.

The maximum benefit payable is calculated based on your employee's current earnings, up to a maximum of €262,500 per annum. This is determined as 75% of their current earnings, less any other income, including the personal rate of the state illness benefit if they are entitled to it or other insurance policies that provide cover for illness or injury.

**If the Executive Income Protection benefit is higher than this maximum benefit then the benefit payable will be reduced to reflect this. In this case, Royal London Ireland will not refund any portion of the premium payments you have made.**

**For example:** Tony is an employee of Company Z and before getting sick earned €60,000 a year.

Here is an example of the calculation that is likely to happen at claims stage for Tony:

	Per month	Per annum
Maximum income calculation while sick: 75% of annual salary of €60,000 p.a.	€3,750	€45,000
Less sick pay from employer	-€1,000	-€12,000
Less the personal rate of the state illness benefit*	- €901	- €10,816
Maximum Income Protection benefit payable	€1,849	€22,184

\* Although an increased payment may be available in respect of an adult dependant or child dependant, we will not take such additional payment into account when calculating the benefit payable in the event of a claim.

## Our approach to claims continued

**Example continued,** Company Z's Executive Income Protection benefit for Tony is for €20,000 per annum (€1,667 per month). At claim stage, his monthly benefit of €1,667 is lower than the maximum Income Protection benefit payable of €1,849. Therefore the full benefit would be payable from the policy.

**However, let's look at an example where Tony has too much cover in place.** Let's say the policy had cover of €30,000 per annum (€2,500 per month). This is higher than the maximum Income Protection benefit payable of €1,849 and would put his payments in illness above 75% of his earnings before he was ill. In this case, his gross Income Protection benefit would be limited to €1,849 per month.

As this example shows, it's very important to get Financial Broker advice as to what is the right amount of cover for your employee and to ensure that you are paying for the right amount. You should also review your benefits from time to time to ensure they are at the right level.

Your employee's Income Protection benefit is taxed the same way as their normal income. So, income tax, PRSI, USC and government levies need to be considered. Benefit payments are made gross to the employer who is then expected to deduct the relevant tax, PRSI and Universal Social Charge amounts under the PAYE system, before paying the benefit to the employee.



## Want to know more?

If you have a question about Executive Income Protection then you can contact your Financial Broker. They can provide you with any additional information you need. See details below.

### Financial Broker Stamp:

For information about Royal London Ireland visit our website:



Website  
[www.royallondon.ie](http://www.royallondon.ie)

For information about our Privacy Policy, please read our Privacy Notice available at [www.royallondon.ie/privacy-policy](http://www.royallondon.ie/privacy-policy)

This brochure is a marketing guide to Royal London Ireland's Executive Income Protection cover. Its purpose is to provide a general overview and guidance on the benefits of a Royal London Ireland Executive Income Protection policy, including details of our Helping Hand service.

This brochure is for illustration purposes only and does not form any part of any contract between us. For further details of the cover and the exclusions provided under Executive Income Protection cover, please see our Key Features Document and the policy conditions booklet. If you take out a policy, your application, the policy conditions booklet and the policy schedule will set out your contract with us. We strongly recommend that you consult with your Financial Broker before taking out the policy as this brochure is provided without any liability or responsibility on our part.

The information contained in this brochure is based on Royal London Ireland's understanding of current law and Revenue practice as at January 2023 which may change in the future.



### **Royal London Ireland**

47-49 St Stephen's Green, Dublin 2

T: 01 429 3333 F: 01 662 5095 E: [service@royallondon.ie](mailto:service@royallondon.ie)

[www.royallondon.ie](http://www.royallondon.ie)

Feedback on the content and clarity of this booklet is very welcome.

Please email [feedback@royallondon.ie](mailto:feedback@royallondon.ie)

This brochure is for illustration purposes only and does not form any part of any contract.  
Terms and conditions apply. All information is valid at the time of going to print.

Royal London Insurance DAC, trading as Royal London Ireland, is regulated by the Central Bank of Ireland. Royal London Insurance DAC is registered in Ireland, number 630146, at 47-49 St Stephen's Green, Dublin 2. Royal London Insurance DAC is a wholly owned subsidiary of The Royal London Mutual Insurance Society Limited which is registered in England, number 99064, at 80 Fenchurch Street, London, EC3M 4BY.