

# A different type of employee benefit

A guide to relevant life plans



**Protection** | Relevant Life Plan



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# What's Inside

A relevant life plan is a stand-alone single life policy. It's a tax-efficient way for employers to give death-in-service benefits to their employees outside of a registered group life scheme.

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# Providing life cover for employees

You don't need to set up a registered group life scheme to leave a lump sum if someone dies. Instead, you could set up a relevant life plan.

## **A relevant life plan is a death-in-service plan set up and paid for by an employer.**

These plans are covered by the same legislation that deals with group schemes. But unlike most schemes provided by large employers, they don't fall under pensions legislation because they're 'non-registered'.

### **Group life schemes**

Some companies are big enough to run a registered group scheme to pay for life cover. This is tax-efficient because the payments they make aren't treated as a P11D benefit, and they qualify for corporation tax relief. What's more, the benefits are payable tax-free to dependants.

Directors of smaller companies were missing out as it wasn't possible to have a one-member scheme and group risk providers don't usually cater for fewer than five members. So these directors paid for personal plans from their income after tax, or from the company account. If they paid from the company account, the payments were treated as income and taxed accordingly.

However, when group life legislation changed in 2006, we recognised there was a gap in the market and introduced a way of writing life cover that benefits small companies.

### **Relevant life plans**

Relevant life plans are ideal for:

- People with high earnings and big pension funds who don't want their death-in-service benefits to form part of their lump sum pension death benefits.
- Small businesses that don't have enough eligible employees for a group life scheme.
- People who are currently in a group death-in-service scheme that doesn't allow voluntary increases or has restrictive definitions of remuneration.
- People in a group death-in-service scheme who don't want their cover linked to salary at death but need a fixed sum.

Note: Relevant life plans can sit alongside the group scheme as long as the employer is willing to fund it.

Relevant life plans shouldn't be used for the benefit of the business. **It's a benefit for the employee, and their family.** Any other use would raise questions with HMRC about whether it's been set up for tax avoidance.

# The advantages of a relevant life plan

There are lots of good reasons to choose a relevant life plan. But it all boils down to tax-efficient life cover for directors and employees, and what business doesn't want that?

## Here are the reasons why a relevant life plan might be suitable:

- The benefit won't form part of an employee's lump sum pension death benefits.
- The premiums won't form part of their annual allowance. So an employee can still make full use of their annual allowance to contribute to a registered pension scheme.
- HMRC doesn't treat premiums paid by employers as a benefit in kind. This means employees don't have to pay income tax on the premiums.
- Nor are the premiums usually assessable for employer or employee National Insurance contributions.
- If HMRC are satisfied the premiums qualify under the 'wholly and exclusively' rules, the employer can treat them as an allowable expense for corporation tax.

The benefits are paid through a discretionary trust. They're paid free of inheritance tax because the payout isn't part of the employee's estate. But the trust will be subject to normal inheritance tax rules for discretionary trusts. Sometimes this may result in the following charges:

- Up to 6% of the value of the trust fund on each 10th anniversary of the date the trust was set up (the periodic charge). There will only be a periodic charge if there's a value held in the trust at the 10th anniversary. This could happen if, for example, the employee died shortly before the 10th anniversary and the benefits hadn't been distributed to the beneficiaries.
- Up to 6% of the value of the trust fund when it pays out to a beneficiary (the exit charge).

**HMRC don't normally treat premiums paid by employers as a benefit in kind. This means employees don't have to pay income tax on the premiums.**

# Qualifying rules for A relevant life plan

There are a few conditions a plan has to meet to qualify as a relevant life plan. If it meets these conditions, it's eligible for the tax benefits.

## **A single person relevant life plan has to meet certain conditions:**

- It can only provide life cover and no other benefit.  
However, provision of a terminal illness benefit is possible as the legislation states an ill-health benefit may also be provided as a benefit for an employee during service.
- It can only pay out a lump sum when the employee dies in service before the age of 75.
- It can't have a surrender value. A small surrender value is allowed in some circumstances, but our plans don't have a surrender value.
- It can only pay out to an individual or a charity.  
For this condition to be satisfied the plan must be set up under trust from start.
- It shouldn't be used to avoid tax.



# The legislation for relevant life plans

Relevant life plans were created under the 2006 pension simplification legislation. Commonly known as ‘A-day’.

## We’ve detailed below the legislation that governs relevant life plans.

A relevant life plan is defined in subsection 393B(4) of the Income Tax (Earnings and Pensions) Act 2003 (‘ITEPA’) as:

- (a) an excepted group life policy as defined in section 480 of the Income Tax (Trading and Other Income) Act 2005,
- (b) a policy of life insurance, the terms of which provide for the payment of benefits on the death of a single individual, and with respect to which:
  - (i) condition A in section 481 of that Act would be met if paragraph (a) in that condition referred to the death, in any circumstances or except in specified circumstances, of that individual (rather than the death in any circumstances of each of the individuals insured under the policy) and if the condition did not include paragraph (b), and
  - (ii) conditions C and D in that section and conditions A and C in section 482 of that Act are met, or
- (c) a policy of life insurance that would be within paragraph (a) or (b) but for the fact that it provides for a benefit which is an excluded benefit under or by virtue of paragraph (a), (b) or (d) of subsection(3) of ITEPA s.393B.

So the conditions that need to be met if a plan is to be a relevant plan within the ‘single life’ category set out in (b) are:

- Condition A in section 481 of the Income Tax (Trading and Other Income) Act 2005 (‘ITTOIA’) – that “under the terms of the policy a sum or other benefit of a capital nature is payable or arises on the death in any circumstances of [the individual] insured under the policy who dies under an age specified in the policy that does not exceed 75.”
- Condition C in section 481 – that “the policy does not have, and is not capable of having, on any day:
  - (a) a surrender value that exceeds the proportion of the amount of premiums paid which, on a time apportionment, is referable to the unexpired paid-up period beginning with the day, or
  - (b) if there is no such period, any surrender value.”
- Condition D in section 481 – that “no sums or other benefits may be paid or conferred under the policy, except as mentioned in condition A or C.”
- Condition A in section 482 of ITTOIA – that “any sums payable or other benefits arising under the policy must (whether directly or indirectly) be paid to or for, or conferred on, or applied at the direction of:
  - (a) an individual or charity beneficially entitled to them, or
  - (b) a trustee or other person acting in a fiduciary capacity who will secure that the sums or other benefits are paid to or for or conferred on, or applied in favour of, an individual or charity beneficially.”
- Condition C in section 482 – that “a tax avoidance purpose is not the main purpose, or one of the main purposes, for which a person is at any time:
  - (a) the holder, or one of the holders, of the policy, or
  - (b) the person, or one of the persons, beneficially entitled under the policy.”

# Frequently asked questions

## About relevant life plans

### What are relevant life plans?

They're single life, stand-alone death-in-service plans.

Relevant life plans are covered by the same legislation that deals with group schemes. But unlike the schemes provided by most big employers, they're 'non-registered', so don't fall under pensions legislation.

They provide life cover, through a discretionary trust, for the benefit of employees' and directors' dependants. They're taken out and paid for by the employer.

### Who's allowed to have one?

Any employee or director of a limited company, partnership, charity or a sole trader can have one. However, we can't cover sole traders or equity partners themselves where they're taxed under schedule D. We can cover 'salaried' partners who are taxed as schedule E.

### Who are they for?

- Small companies that don't have enough members for a group scheme.
- High earners who don't want their group death-in-service lump sum benefits included in their tax free lump sum pension death benefits.
- Employees looking to top up the benefits they get from their employer's scheme.

## Why are they tax efficient?

### The benefits

- The employee doesn't have to pay income tax on the benefits.
- And they're not usually subject to inheritance tax. In exceptional cases there could be a periodic tax charge on the trust – for full details see the 'about tax' section on page 8.

- Unlike tax free lump sums paid under a registered scheme, relevant life plan benefits don't form part of an employee's tax free lump sum pension death benefits. For registered schemes, there is the Lump Sum and Death Benefit Allowance (LSDBA) which restricts total tax-free lump sums, including lump sum death benefits and serious ill health benefits, against a standard limit of £1,073,100.

### The premiums

- HMRC doesn't treat premiums paid by the employer as a P11D benefit. For a higher rate taxpayer in a small company this can reduce costs by up to a third.
- Neither employee nor employer has to pay National Insurance on the premiums.
- So long as the company's accountant is happy that the premiums are 'wholly and exclusively for the purpose of trade' as part of the employee's remuneration, they can be treated as a trading expense. Though this could be challenged by HMRC.
- Premiums don't count as part of the pension annual allowance for tax purposes.

The table on the next page shows the effect on the company of paying for ordinary life cover and having it treated as a benefit in kind. It then looks at a relevant life plan assuming it qualifies for tax relief.

## How a relevant life plan can cut company costs

| Premium            |                                                   | Ordinary life cover<br>£1,000 | Relevant life plan<br>£1,000 |
|--------------------|---------------------------------------------------|-------------------------------|------------------------------|
| Company gross cost | Employee's National Insurance contribution at 2%  | £34                           | Nil                          |
|                    | Income tax @ 40%                                  | £690                          | Nil                          |
|                    | Employer's National Insurance contribution at 15% | £259                          | Nil                          |
|                    | Total gross cost                                  | £1,983                        | £1,000                       |
| Company net cost   | Corporation tax relief at 25%                     | £496                          | £250*                        |
| <b>Net cost</b>    |                                                   | <b>£1,487</b>                 | <b>£750*</b>                 |

\*Assumes that corporation tax relief is 25% and has been granted under the 'wholly and exclusively' rules. In both cases we've assumed a payment of £1,000 each year for the life cover on an employee who's paying income tax at 40% and employee's National Insurance at 2% on the top end income. We've also assumed that the employer is paying corporation tax at a rate of 25% and will pay the employer's National Insurance at the rate of 13.8%.

## About tax

### Why does the premium not create a P11D charge?

Relevant life plans are non-registered arrangements. They replace the old unapproved schemes. Before A-day and the legislation to simplify pensions, these schemes were taxed as income in the hands of the employee under ITEPA 2003 (Part 6 Ch 1). S.247 of the 2004 finance act removed this charge so there is no longer any income tax or National Insurance implications on the employee.

### Why does the benefit not form part of the annual or Lump Sum and Death Benefit Allowance?

Because relevant life plans are non-registered schemes, they don't come under pension legislation. This means there's no connection between the sum assured on claim and the Lump Sum and Death Benefit Allowance. Nor does the premium have any effect on the annual allowance. Registered schemes will come under pensions legislation.

### How is tax relief granted on the premium?

HMRC have clarified this since A-day. To qualify under the 'wholly and exclusively' rules, the premiums should be treated as part of the employee's remuneration. A person's remuneration package doesn't represent just cash, but other benefits like death-in-service (group or single relevant life plans) and pensions.

The cost of the employee's package should be reasonable in light of his or her contribution to the business and compared to similar businesses.

This is the same guidance you'll find in the HMRC's business income manuals. Reference BIM 45530 deals with life policies on employees. BIM 46000 onwards covers benefits paid direct to employees – BIM 46035 deals with directors in particular.

This could mean that a spouse who works part-time might not get relief on a big relevant life plan or pension contribution as it's not appropriate to the work he or she does. However, the same benefits for a full-time working director should be perfectly acceptable to HMRC.



This is why we can't say for sure that every case will be an allowable business expense. Each case is different and depends on the employee's circumstances. However, from our many discussions with accountants and tax specialists, we don't believe the relatively modest cost of relevant life plans will cause HMRC any concern for a full-time working director who would just claim under the self-assessment process.

The employer doesn't need to make a separate entry on their self-assessment form – they should just include the premiums as part of their overall remuneration package.

### **Why are the benefits not subject to corporation tax?**

Because the company doesn't own the plan. Although the company is the proposer, as the plan must be set up under trust from the start it's not a company asset. It's owned by the trustees for the benefit of the potential beneficiaries and any proceeds are paid directly to them.

### **Do the beneficiaries have to pay any income tax on relevant life plans?**

No. As long as the plan sticks to the conditions laid down in the technical brochure, there's no income tax charge.

### **How is the plan treated for inheritance tax?**

The plan doesn't belong to the employee so it doesn't form part of their estate for inheritance tax purposes.

But, like all non-pension discretionary trusts, the trust itself can be subject to periodic and exit charges.

### **Periodic charge**

A periodic charge at a 10-year anniversary may be applied. If this is the case, there will be a charge of up to 6% on the value of the assets in excess of the nil rate band.

However, we believe it's unlikely that such a charge will arise in the vast majority of cases. The most likely cause would be if the employee died just before a 10th anniversary and there wasn't enough time to pay the assets out to the beneficiaries.

### **Exit charge**

If the assets stay in the trust past a 10-year anniversary, there could be an exit charge when they're paid out. This would be a proportion of the last periodic charge due, again up to a maximum of 6%.

However, where assets are paid out as soon as possible following a claim, there's unlikely to be any significant exit charge. And there won't be any exit charge if the assets are paid out within 3 months of a 10-year anniversary.

### **When the trustees assign the plan to an employee who has left, does this create a tax charge?**

We don't believe so, providing the person covered is still in good health. The company doesn't own the plan so there's no benefit in kind. The trustees are just exercising their discretionary powers to assign an asset to a beneficiary, in this case the plan to the person covered – the employee.

Nor do we believe there will be any capital gains tax charge on claim under s.210 TCGA because the employee who has left isn't paying for the assignment.

### **Have you had HMRC clearance on these plans?**

HMRC won't give generic clearance so we've not asked for it. They just look at each situation case by case if they need to. But we believe in most cases the accountant can justify claiming tax relief under the self-assessment process without referring to the local inspector.

## About the cover

### Can the cover be increased?

Yes. If the plan has been set up with increasing cover the sum assured will go up each year using RPI or the chosen fixed rate (between 2-10%). If the original plan meets certain criteria, the cover can be increased without evidence of health using the cover increase options, such as getting a pay rise, getting married or divorced or entering into or dissolving a civil partnership, moving house or having or adopting a child. Other changes are allowed at any time but we may need evidence to show that the employee is still in good health.

### Is there a limit to the cover you can provide?

Since A-day, the statutory limits on the amount of cover providers can offer have been removed. However, we do have a maximum we're prepared to cover that we've agreed with our reassurers.

Our limits are as follows: up to 30 times the employee's income for clients under 40, up to 25 times for those aged between 40 and 49, up to 20 times for those aged between 50 and 59 and up to 15 times for those aged 60 and over. We'll also cover up to £1m without using a multiple of income. Remuneration can include salary, bonus, and dividends paid in lieu of salary plus any taxable benefit in kind.

**We don't need financial underwriting for applications of up to £4 million for each employee.**

But beyond that we do need evidence of earnings. This could be a copy of a P60 or 3 months' salary slips or a letter from the employer confirming income. For a small company we might ask for confirmation from the accountant for copies of the accounts to show dividend income.

### Can you provide different cover?

A relevant life plan can only include life cover, but you can have two life covers with different terms within one plan as long as they're all for the purpose of providing benefits for dependants.

## About trusts

### How does the trust work?

We use a discretionary trust with the potential beneficiaries being family members – although we can include non-family members such as a live-in partner too.

Within our trust the employer can choose whether they wish to be appointed as a trustee. At all times we recommend that at least two trustees are appointed. This can be anyone, but it'd make sense to have the additional trustee as an officer of the company (for example a director or the company secretary) to reinforce the commercial aspect of the arrangement.

The employee to be covered can be a trustee, but if this is the case there must be another trustee as well unless a corporate body is a trustee.

For single person companies with no company secretary, this will have to be someone from outside such as a spouse or the company's accountant or solicitor. On death, the company's trustee duties will have to fall to the executors or administrators of the estate who will either carry out those duties or appoint someone else.

A nomination form needs to be completed to let the trustees know who they should pay the benefits to. This isn't binding but in most cases will guide them and speed payments up.

### Can the trust be incorporated with a spousal bypass trust?

Yes. In the beneficiary box, put the bypass trust in as a potential beneficiary and nominate that trust in the nomination form. But this may be of little benefit as the relevant life plan trust is a discretionary trust, and already keeps the benefits outside of a spouse's estate for inheritance tax.

## About anything else

### What happens if the employee leaves employment?

When an employee leaves service the trustees can appoint and assign ownership of the plan to the employee who can continue it as a personal plan. They could even put it into a personal trust if they wanted to.

If the employee goes to another company, or starts up a new one, the new company can take over the plan and pick up the premiums.

### Can these plans be used for business protection?

No. The legislation states that the primary or main purpose of a relevant life plan must not be for tax avoidance. We'd be concerned that if the benefits were paid to non-dependant or non-family beneficiaries (such as co-shareholders) to avoid the benefit in kind charge, or to get tax relief, this rule could be compromised. The legislation also states that benefits can't be paid to a limited company, so using a relevant life plan for key person purposes wouldn't be allowed.

# Our Relevant Life plan

Our Relevant Life Plan is stand-alone, with its own literature and application process. Making it easier for you to set up these plans and clearer for your clients to understand what they're covered for.

**We were the first provider to introduce a relevant life plan into the market in 2008.**

## Since then:

- We've made it a stand-alone product – making the application process much simpler.
- We've introduced the ability to submit applications online.
- We've added cover increase options – making it easier for the plan to be changed in the future.

## Cover increase options

Our Relevant Life Plan has cover increase options – options that let your clients increase their cover throughout the term of the plan without the need for any new medical evidence.

The cover increase options are included if:

- We accept the plan on standard terms.
- The person covered is under 55 at the time of the increase.
- The person covered takes up these options within six months of each event happening.

For full details about our cover increase options and making changes to your client's plans, see our plan details for the Relevant Life Plan.

The cover can be increased on more than one occasion but the maximum increase for each event is limited to whichever of the following amounts is lower:

- half of the original amount of cover; or
- £50,000

The maximum total increase for all events is limited to whichever of the following amounts is lower:

- half of the original amount of cover; or
- £200,000

If the person covered has more than one cover or more than one plan owned, these limits apply across all of those covers and plans and not separately to each of them.

| Cover can be increased following any of these events:                                |                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Marriage or civil partnership, divorce or dissolution of a civil partnership.</b> | Cover can be increased by any amount within the limits above when the person covered gets married or divorced or enters into or dissolves a civil partnership.                                                                                                                                                                                  |
| <b>Mortgage increase to buy a new home or for home improvements.</b>                 | Cover can be increased by the amount the person covered increases their mortgage by, subject to the limits above.                                                                                                                                                                                                                               |
| <b>Birth or adoption of a child.</b>                                                 | Cover can be increased by any amount within the limits above when the person covered has a child or adopts.                                                                                                                                                                                                                                     |
| <b>Salary increase.</b>                                                              | Cover can be increased by the percentage difference between the person covered's old and new salary subject to the limits above if the person covered is promoted or moves to another job and their salary increases. This option is not available if the person covered is a controlling director or can decide on the amount of their salary. |

# Cover Now, Underwrite Later

## How do I apply for a Relevant Life Plan for my client?

You can apply for a Relevant Life Plan using our online service. The plan must be written on a 'life of another' basis with the employer as the plan owner and the employee the person covered.

The plan must only include Life Cover and can't include any other benefit.

The cover can be written on a level, decreasing or increasing basis.

You can find more information in our plan details and key facts for the Relevant Life Plan, or see the table below for all the options.

## Additional financial information we might ask for

We'll ask your client for more financial information in certain circumstances, and what we'll ask for depends on the amount of cover requested. All figures include any existing cover with us, or other insurers.

If you have any questions about the information we need, you can contact us on **0345 6094 500** or email us at [protectionhelp@royallondon.com](mailto:protectionhelp@royallondon.com).

For some cases we'll need to request additional medical evidence, such as a GP report or medical examination, or other additional information before we can complete our assessment of a client's application. Sometimes this can take several weeks to gather.

If a client doesn't want to wait to get their cover started, they can apply for our Underwrite Later option. With this option, we may be able to start their plan after our initial assessment of their application, whilst we wait for the additional medical evidence or information we need to fully assess the application.

In most cases, when we receive all the additional medical evidence or information, this will confirm the terms we started the cover on. In some cases though, it may mean we have to change the terms of the plan or even in some circumstances, cancel it.

## Applying for Underwrite Later

If we're unable to offer terms immediately, the online application will give you the option to apply for Underwrite Later.

Once the application has been initially assessed by one of our underwriters, they will request the evidence we need and if Underwrite Later is accepted, we will also start the plan.

If the Underwrite Later application is for cover to replace an existing protection plan, we strongly recommend that you **DO NOT** cancel the existing plan until we have fully assessed the application. There is a risk a client could be left without any cover in the event we can't accept their application, once all the required evidence has been received.

## The Limits of Underwrite Later

The maximum amount of cover you can apply for with Underwrite Later is £3,500,000. If we have not received all the medical evidence or additional information we need and completed our assessment of the application within 6 months of the date the cover started, we will cancel the plan.

## Financial Underwriting

Underwrite Later will not be approved until we have confirmed the case is acceptable financially. If financial underwriting is required (see page 10), please ensure you complete the online financial questionnaire in the application or provide the required evidence as soon as possible as this could cause delays in getting a client covered straight away.

## Writing the plan in trust

We recommend you complete our online, signature free Relevant Life Trust. This can be set up as part of the online application. If a trust has not yet been completed, we won't start a plan using Underwrite Later until it has. This is because these trusts must be in place before the plan starts.



## The options

The table below highlights different options available in our Relevant Life Plan.

| What can vary                     | The options                                                                                                   | Life cover | What the options mean                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Which person is covered           | Single life                                                                                                   | ✓          | 'Single life' means only one person is covered.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Term of cover                     | 1 - 57 years<br>+5-year renewable<br>+10-year renewable                                                       | ✓          | How long the cover lasts for.<br>+Not available on decreasing covers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Maximum amount of cover           | Unlimited                                                                                                     | ✓          | You can apply for any amount of cover subject to the maximum multiple of employee's remuneration.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Maximum age when the cover starts | 73                                                                                                            | ✓          | The oldest the person covered can be when cover starts (attained age).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Maximum age when the cover ends   | 74                                                                                                            | ✓          | The oldest the person covered can be when the cover ends (attained age).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Whether payments change or not    | Guaranteed payments                                                                                           | ✓          | 'Guaranteed' means the payments for the plan won't change unless the cover changes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Payment of the cover              | Level lump sum                                                                                                | ✓          | 'Lump sum' means the cover is paid as a single amount.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                   | Increasing lump sum, increasing by a selected rate (2-5%)                                                     | ✓          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                   | Increasing lump sum, increasing by retail price index (2-10%)                                                 | ✓          | 'Increasing' means the cover will go up each year by the rate agreed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                   | Monthly decreasing lump sum                                                                                   | ✓          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Decreasing                        | Decreasing lump sum, decreasing by a selected rate (2-5%)                                                     | ✓          | Decreasing' means the cover will go down each month by the rate shown on the cover summary (0-15%).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                   | Decreasing lump sum, decreasing by retail price index (2-10%)                                                 | ✓          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                   | Decreasing lump sum, decreasing by a selected rate (2-5%)                                                     | ✓          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                   | Decreasing lump sum, decreasing by retail price index (2-10%)                                                 | ✓          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Underwrite Later                  | Start your plan after our initial assessment of your application, before we get any medical evidence we need. | ✓          | If we need medical evidence or other additional information to make a decision on the application, you may be able to choose our Underwrite Later option. If you choose this option, we may be able to start the cover, without waiting for the medical evidence or other additional information we need. We'll confirm whether we can start the plan and if so, the terms we are able to offer after our initial assessment of the application. We'll then fully assess the application once we have everything we need. This may affect our decision on the application which means we might change the terms of your client's plan, or cancel it. |
| Cover increase options            | Increase in salary of person covered                                                                          | ✓          | If we can accept the plan on standard terms, the client can increase their cover without any medical evidence if any of these events happen to the person covered.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                   | Marriage/civil partnership/divorce/dissolution of a civil partnership                                         | ✓          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                   | Increase in mortgage                                                                                          | ✓          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|                                   | Birth or adoption of a child                                                                                  | ✓          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

## Support for the employee covered and their family

If the employee covered suffers from a serious illness or injury, or they lose someone close to them, having some practical and emotional support to help them through a difficult time could be of a great help.

That's why we give your clients access to Helping Hand with their Relevant Life plans at no extra cost. It's available from the day the plan starts and gives your clients, those covered and their families (partner /children) a wide range of support during difficult times.

## Support for the employer

For Relevant Life plans, Helping Hand can be a lifeline for the employer too. Our Helping Hand recruitment partner can provide a list of potential temporary candidates within 48 hours. They can also give advice and support in finding a permanent replacement, including writing job and person specifications and drafting ads and briefs for recruitment agencies.

And then there's the legal helpline. If the business needs advice on legal aspects of the claim, or wants to ask about managing sickness and absence or about termination and buying back shares, help is just a phone call away.

The business can also speak with the dedicated nurse to understand more about the employee's illness. In particular, the employer can find out:

- What the treatment involves and whether there are any side effects.
- How the illness or its treatment might affect an employee's ability to work.
- How long it might take someone to recover and return to work.

All calls are completely confidential and will not be discussed with Royal London. These support services are provided by third party suppliers FPSG Specialist Recruitment (careers), Epoq Legal Ltd (legal) and RedArc Ltd (medical).

| Individual support                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Business support                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>For life cover or terminal illness claims</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Information about an employee's illness</b>                                                                                                                                                                                                                                                                                                                                                                             |
| As soon as we know about a claim we'll check with the claimant to see if they want to be referred. If they say yes, then we'll ask a dedicated nurse to make contact to see what help and support they can offer.<br><br>This could involve different forms of assistance from contacting support groups to arranging help from a fully qualified and independent bereavement counsellor.                                                                                                                                                                                                                                                          | The employer can also speak with the dedicated nurse to understand more about the illness, its symptoms, treatment and the likely impact on the employee and their family.<br><br>This service is designed to help the business deal with what will probably be an unfamiliar event. But, due to strict patient confidentiality rules, the dedicated nurse won't be able to discuss the specifics of an individual's case. |
| <b>For serious illness</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Recruitment solutions for temporary and permanent roles</b>                                                                                                                                                                                                                                                                                                                                                             |
| The dedicated nurse will be able to offer immediate support from answering questions to giving professional medical advice. We can also arrange for a healthcare specialist to make a home visit. We'll even pay for additional specialist treatment if the nurse feels this will help.<br><br>If your client is feeling unsure about a diagnosis or recommended course of treatment, their dedicated nurse can discuss a second medical opinion and may help them decide if they would benefit from this. Unlike similar services, these second opinion consultations usually take place face-to-face within the NHS or private sector in the UK. | Our recruitment partner will find management staff for your client's business where a temporary replacement is needed. They'll provide a list of potential candidates within 48 hours. They'll also give advice and support when it comes to finding a permanent replacement including writing job and person specifications, and drafting adverts and recruitment agency briefs.                                          |
| <b>Career and job support</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Legal help</b>                                                                                                                                                                                                                                                                                                                                                                                                          |
| In the case of illness, the person covered may need to find alternative employment. We offer access to career consultants, including a CV writing service and a comprehensive job seeker's manual.                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Your client's business will also have access to a legal helpline. The helpline gives advice on all aspects of employment law relating to a claim including managing sickness and absence, termination and shareholder options.                                                                                                                                                                                             |

Helping Hand is a package of support services and each service is provided by third parties that aren't regulated by the Financial Conduct Authority or the Prudential Regulation Authority. These services aren't part of our terms and conditions and don't form part of your insurance contract with us, so can be amended or withdrawn at any time. This means that you or your family's access to these services could be amended or withdrawn by us in the future.

You can find further information on our  
Relevant Life Plan and order literature at  
**[adviser.royallondon.com](https://adviser.royallondon.com)**



**Royal London**  
**[royallondon.com](https://royallondon.com)**

**We're happy to provide your documents in a different format,  
such as braille, large print or audio. Just ask us when you get in touch.**

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