



GROUP LIFE ASSURANCE



EMPLOYER TAX

Corporation Tax Relief

EMPLOYEE TAX

No direct tax implications for employee. Lump sum usually paid tax free

COST TO EMPLOYER

Cover can be achieved for less than 1% of gross payroll, depending on workforce profile

What is Group Life Assurance?

Group Life Assurance, or Death in Service as it is sometimes known, is an insurance policy that employers can take out to cover some or all of their staff for a lump sum payment in the event of death.

How Does it Work?

Employees are covered for either a flat amount or a multiple of salary. They are generally covered for as long as they remain an employee of the company, 24 hours a day and 365 days a year.

Employees can choose who benefits from their policy by completing a Nomination Form with the Group Life Assurance provider.

In the event of their death, the policy pays out the amount the individual was covered for, which is then paid to the person or persons nominated. In most cases, the lump sum payment is tax-free.

Why is it Valuable?

Having this benefit means that employees do not have to take out individual life cover, which is often required if they have a mortgage. It provides peace of mind to the employee population and, in the worst-case scenario of having an employee die, an employer can ensure his/her family receive financial support via the lump sum.

In most cases, the employee does not have to complete any medical forms and so people who may struggle to get cover individually can still benefit from the cover.

The benefit is paid for entirely by the company, and is not a P11d benefit for the employee. For an employer, the cost of the policy is tax deductible.

What does it cost?

The cost depends on a variety of factors including the profile of the workforce being covered and the level of cover being provided. The older the workforce in general, and/or the higher the level of cover, the more expensive the policy will be.



Want to find out how we can help?

Call us today on 01858 414252, visit us online at www.theinkgroup.co.uk or email hello@theinkgroup.co.uk to find out more or set up your no-obligation meeting.

Ink Employee Benefits is authorised and regulated by the Financial Conduct Authority (FCA number 609071)