



PRIVATE MEDICAL INSURANCE



EMPLOYER TAX

Corporation Tax Relief

EMPLOYEE TAX

Benefit in kind (P11d)

COST TO EMPLOYER

Wide-ranging, depending on cover and employee profile, but £1,000 per employee per year is common

What is Private Medical Insurance?

Private Medical Insurance (or Private Healthcare) is a policy that allows employees to receive medical treatment from the private sector. In most cases, this will mean they can be treated more quickly than on the NHS.

How Does it Work?

Employers take out a policy to cover their employees with a healthcare provider. The best known in the UK market are BUPA, AXA PPP, Aviva and Vitality. These types of policies have many variations in terms of what is covered and if the employee has to pay anything towards their treatment.

Some policies will just cover the employee, whereas other may cover their spouse/partner and their children. Employers may offer cover to the employee, but allow them to add family members at an additional cost that they pay via a salary deduction.

Depending on the type of Private Medical Insurance policy an employer chooses, there may be full underwriting for the employee to complete or, at the other end of the spectrum, the policy may disregard an employee's medical history completely.

Why is it Valuable?

In the event of an employee becoming ill, this insurance allows them to get treatment in the private healthcare sector. This usually means the employee can return to work more quickly than if they were waiting for treatment on the NHS. This can be particularly true in cases where there is a long waiting list for NHS treatment.

The employee benefits from having the cost of treatment covered by the policy, although some policies do have an excess that the employee has to pay. Given the cost of private treatment, this benefit can be worth tens of thousands of pounds for a serious condition

What does it cost?

The employer pays the premium for a Private Medical Insurance scheme, but there is a P11d (benefit-in-kind) tax charge for the employee.

The factors affecting the cost of the policy depend on the profile of the workforce, the benefits selected as part of the policy and other factors, such as the excess amount.



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.

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