

Support for the unexpected

A Guide to Personal Income Protection



Personal Income Protection

 ROYAL
LONDON
IRELAND

What's inside

So, what exactly is it?	4
Cover to suit you	6
Additional features	10
Additional support – Helping Hand	18
Income Protection Cover and your job	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 Personal Income Protection Cover is to provide a regular income if you are unable to work due to illness or injury for a certain period of time and you suffer a loss of earnings as a result.

You must be totally unable to perform the essential duties of your normal occupation and not be engaging in any other occupation.

Personal 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 earnings must be at the level that justifies the amount of cover you have chosen. If not, you will receive a reduced benefit. 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 treated as income and so are assessed for income tax, PRSI and the Universal Social Charge (USC). Royal London Ireland will take any income tax, PRSI and USC, in the same way as an employer would take them from a normal income, before providing the benefit to you.

This brochure is designed as a quick reference to the main features of your Personal 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 Personal Income Protection from Royal London Ireland suitable for you?

Could be suitable if you:	May not be suitable if you:
Want a policy to financially protect you if are unable to work due to illness or injury.	Want a policy to pay out to your beneficiaries if you die.
Are working more than 16 hours a week in paid employment or are self-employed.	Are unemployed, working less than 16 hours a week in paid employment or are in unpaid employment (for example, volunteering).
Do not have sufficient savings, sick leave benefits and/or social welfare payments are not enough to support you and your family.	Can manage with existing savings, sick leave benefits and/or social welfare payments if you were unable to work due to illness or injury.
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.	Are looking for a policy with flexible premiums.
Are aged between 18 and 59 (the latest you can take out a new policy).	Are not aged between 18 or and 59.
Want cover which can last until age 70 and 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 2022) 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?

Personal Income Protection from Royal London Ireland provides you with an income if you are unable to work due to illness or injury.

It can help protect your lifestyle by limiting the financial consequences of suffering an illness or injury which prevents you from working.

Payments continue either until you are well enough to return to work or your policy ends. There is no restriction on what you use the Income Protection benefit for. It's there to support you financially, however you need it.

Under current tax law (January 2022), the premiums you pay may be eligible for **Tax Relief**. This can reduce the cost of your cover by up to 40%, if you pay income tax at the higher rate. **The gross premium is payable to Royal London Ireland and you must claim the tax relief from Revenue.** The maximum amount on which tax relief can be claimed is limited to 10% of your total income for the year of assessment. Revenue limits, terms and conditions apply.

How important is your income?

The income you earn determines the life you lead. It's easy to think of all the ways you use your income; it pays for the day-to-day living expenses and bills that allow you to create a home and provide for your family. It also helps pay for special occasions that create lasting memories.

If it suddenly stopped, your life would change drastically.

How long could you cope financially if you were on sick leave?

If you are self-employed, you will have to rely on any investments and savings you might have. There is no State Illness Benefit available to self-employed workers.

If you are employed, your employer might have sick leave benefits that will automatically cover you when you're off sick. But these are usually only available up to a certain time limit – do you know how long these benefits would last with your employer?

Once your employer sick pay ends, you would have to rely on the State Illness Benefit and any savings and investments you might have.

Reasons to choose Income Protection

- You're self-employed so don't qualify to receive the State Illness Benefit
- You're working more than 16 hours a week in paid employment and rely on your income to support your outgoings
- Your current sick leave benefits would not be sufficient
- The State Illness Benefit is not enough to support you and your family.

State Illness Benefit

The State Illness Benefit is currently up to €208 a week for eligible employees, depending on your average weekly earnings in the relevant tax year.

The State Illness Benefit can only be claimed for a limited period, as it is currently payable for a maximum of two years.

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

All information as at January 2022.



Cover to suit you

The amount of income you want to protect

You can cover up to 75% of your earnings, less the personal rate of the state social welfare illness benefit if you are entitled to it, up to a maximum of €262,500 per annum.

If cost is an issue, you don't have to cover the full amount, as even a little cover is better than none.

When choosing the level of Income Protection benefit you want, you should take into account whether you may be entitled to the social welfare illness benefit. You should also consider any other insurance plans you already have that provide cover for accident, illness or injury. Otherwise you may be paying for more Income Protection benefit than you can claim.

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

For example: Ted earns €100,000 a year. His employer does not provide any sick pay but Ted is eligible for the State Illness Benefit, currently up to €208 a week.

The maximum cover amount Ted can put in place is 75% of his income, (€100,000*75%) less his state benefit of €10,816 (€208*52); €64,184.

Please note:

Income Protection only covers earned income. The following cannot be included when calculating your income or benefit level:

- Income from savings
- Income from investments (except if you are self-employed or a company director and are paid dividends in lieu of a regular salary)
- Income from sale or rental of property or other goods
- Income from a pension.

How long your cover should last

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

Many people will choose an expiry age to coincide with their retirement age. 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 applies to you as certain occupations have lower expiry ages.

More than one Income Protection policy

You can have more than one Income Protection policy in force at the same time. However, the total sum of the benefits from your Income Protection policies shouldn't exceed 75% of your earnings (less the personal rate of the State Illness Benefit if you are entitled to it).

For example: Susan's employer provides Income Protection, but it only covers 50% of her salary. Susan can apply for her own Income Protection policy to cover part of the remaining salary.

When you want your Income Protection benefit to start

There is an amount of time you have to be off work continuously, due to illness or injury, before your 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.

You will most likely match this time to suit your personal circumstances, for example, it could be based on your employer's sick pay rules. So you would choose your Deferred Period to match the amount of time your employer will provide full sick pay. This way, as soon as your employer sick pay ends (or reduces), your Income Protection benefit would start.

Cover to suit you continued

Or it could be driven by cost. The length of the Deferred Period you choose will impact the cost of your policy. The longer the Deferred Period, the lower your monthly premium.

For additional flexibility, you can choose two Deferred Periods within your policy.

So, for example, you could choose to provide a certain amount of Income Protection benefit after a shorter Deferred Period and a higher Income Protection benefit amount after a longer Deferred Period. This may be useful in order to best match employer sick pay schemes 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 you.

For example: Mary is employed and pays PRSI. She has selected one Deferred Period of 26 weeks on her Income Protection policy. Mary chose this amount of time because it coincided with when her employer sick pay would end.

Following a cancer diagnosis, Mary goes on sick leave from work. During the Deferred Period, she receives her employer sick pay benefits and her State Illness Benefit. After 26 weeks, her employer sick pay ends and Mary's Income Protection benefit starts.

Indexation to help protect your 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 your policy, your 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, your 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.

Escalation in Claim

You can also opt to include the Escalation in Claim option on your policy. This means that your Income Protection benefit amount will increase annually if you're 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 your 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 you are hospitalised for over a week.

If you are admitted to hospital, a daily income is payable for every day you spend in hospital after day 7. This benefit is payable during your 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.

Proportionate Payment

A partial benefit payment may be payable if you return to work on reduced earnings.

If, as a result of your illness or injury, you are only able to return to work part-time or have to pursue an alternative occupation with a lower income, you 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. He has an Income Protection policy protecting €30,000 p.a. of his salary which will expire on his 65th birthday.

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

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

As the proportionate payment is calculated based on this 75% reduction in earnings, Jack will continue to be paid a reduced gross benefit amount of €22,500 p.a. (€30,000* 75%) from his policy. This Income Protection benefit will be taxed in the same way as Jack's normal income.

This payment 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 you financial support when you return to full-time work following a long-term claim.

We want to help you to get back to work. We also understand that if you have been off work due to sickness or injury for a long time, returning to work can be an adjustment. While you 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 you 75% of your monthly Income Protection benefit for your first month back in work, 50% in month two and 25% in month three.

The benefit is payable if you return 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 you have been in receipt of a proportionate payment.

For example: John was on sick leave from work for 24 months. At the end of his chosen Deferred Period, John was paid a gross benefit amount of €2,250 each month from his Income Protection policy.

When he was fit to return to work, the first month back, in addition to his salary from his employer, he was paid a gross amount of €1,687.50 (€2,250*75%) from his Income Protection policy.

The second month back at work he was paid a gross amount of €1,125 (€2,250*50%) and on his third month back at work he was paid a final gross payment of €562.50 (€2,250*25%) from his Income Protection policy. This Back to Work benefit is taxed in the same way as John's normal income.

Additional features continued

Linked Claims Benefit

Restarts claim payments if you relapse after returning to work following a claim.

If within six months of your return to work following a claim you have to stop working again for the same reason your original claim was based on, you will not have to wait a Deferred Period to start receiving your 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 returning to work. Although, any changes in your 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 you are 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 chose to provide a total Income Protection benefit of €18,000 p.a. on his policy. He chose 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, Mark received an Income Protection benefit from week 13 of his illness of €500 gross per month. He returned to work after 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.

Mark let us know, and provided the relevant information from his doctor confirming that he is unable to work for the same reasons as his original claim.

Mark's Income Protection benefit of €500 gross per month is payable again immediately. After 15 weeks, Mark's higher Income Protection benefit amount of €1,000 gross per month is payable (original 37 weeks plus 15 weeks = 52 weeks).

Essential Activities Benefit

This provides lower cover for periods of unemployment, taking a career break or parental leave.

We understand that people's circumstances can change over time. So, if you become unemployed, take a career break or parental leave, you will not be covered for your Income Protection benefit. However, you will continue to be covered for the Essential Activities Benefit. This is payable if you 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 you notify us of your change in circumstances, your premiums will be reduced during this time to reflect any reduction to your full cover.

If you return to work within 12 months of switching to our Essential Activities Benefit, you can reinstate your full cover without having to provide any new medical evidence.



Additional features continued

Guaranteed Insurability Option

Allows you to increase your cover as your income grows.

As you move through your career, your income is likely to increase with your experience. To allow your Income Protection cover to reflect this, you can increase it by up to 20% of the initial amount protected every three years, without having to supply any new medical evidence.

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 your initial cover amount.

It is important to note that, before increasing your 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 financial evidence to justify that your earnings are at an appropriate level for any increase in cover.

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

Ben has an Income Protection policy with cover of €50,000 per annum.

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

Continuation Option

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

If you change jobs, your new employer may apply to us to replace your Personal Income Protection policy with a new Executive Income Protection policy. By using the Continuation Option, it means that we won't look for new 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 Executive Income Protection policy.

We will issue the new policy under our normal terms and conditions which apply to Executive Income Protection at the time that the Continuation Option is used.

For example: Aoife has a Personal Income Protection policy with an annual benefit of €25,000 and a Deferred Period of 13 weeks. Her new employer provides Income Protection for key employees, and offers this benefit to her. Aoife's employer applies to Royal London Ireland to replace her existing policy with an Executive Income Protection policy with the same annual benefit and Deferred Period. Her employer will also be responsible for paying the policy premiums. By using the Continuation Option, Aoife won't have to answer any medical questions when her new employer applies to us for the new policy.



Additional features continued

Premium related features

Tax relief available

You can claim **tax relief** on all premiums you pay at your marginal rate of tax, if you currently pay income tax.

This means that if you are taxed at the higher rate, currently 40%, on a €100 premium you will get €40 tax relief – so the net cost to you is only €60.

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

If you are unsure of any aspect of the tax treatment of premiums or benefits, please contact your Financial Broker for more detailed information.

Waiver of premiums

While you are in receipt of an Income Protection benefit payment, you will not have to pay the premium related to that benefit. This is called a **waiver of premiums**.

For example: Tom has a car accident and goes on sick leave from work. Following the end of his selected Deferred Period, he starts to receive his Income Protection benefit.

While receiving his Income Protection benefit, he does not need to pay any monthly premium payments to Royal London Ireland. But, if well enough to return to work in the future, his cover can resume, along with his premiums, until Tom reaches his selected expiry age.

Premiums are fixed

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

However, the Government levy of 1% (as at January 2022) which is included in your premium may change in the future.

Changing your job

If you change job after the policy start date, you do not have to tell us. Your Income Protection policy will continue to protect you with the same terms and conditions, regardless of your new occupation.

However, it's important that the amount covered by your Income Protection policy doesn't exceed 75% of your earnings, less the personal rate of the State Illness Benefit if you are entitled to it. If this is the case, or if you're working less than 16 hours per week in your new job or if you become unemployed, you should let us know.

Please note:

You must inform us if you change your normal occupation after the application has been completed but before the policy start date.

Terminal Illness Cover

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

Maternity and Paternity Leave

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

Your Income Protection policy will continue to protect you during your maternity or paternity leave and your premiums are still payable.

Pre-existing conditions

An additional premium or an exclusion may be applied to your policy if you have a pre-existing medical condition at the time you take out your Income Protection policy.

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 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.



Income Protection cover and your job

The purpose of Income Protection is to provide you with an income if you are unable to work because of an illness or injury. Royal London Ireland will assess your ability to work based on your normal job and whether you 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 Income Protection cover is directly related to your 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 you need to drive or undertake air travel as part of your job, this can affect your occupation class.

Due to the degree of occupational risk involved, there are some occupations that will not be accepted by us for 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
Occupational class 1	Occupations with no appreciable accident or health risk. Often 100% administrative duties (e.g. administrative worker, bookkeeper)
Occupational class 2	Occupations involving minimal manual work (e.g. surveyor, sales representative)
Occupational class 3	Skilled occupations which may include some light manual duties (e.g. chef, printer)
Occupational class 4	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 your occupation class.

Secondary or dual occupations

If you have more than one job, you may be able to insure both occupations.

If both jobs are acceptable for Income Protection cover, you can insure both salaries, but the occupational class with the higher risk will determine the premium. For example, an accountant (occupational class 1) who carries out farming duties in the evenings and at the weekend (occupational class 4) can insure both salaries but will pay a premium based on the rate charged for the higher risk occupation.

If one of the jobs is not acceptable for Income Protection cover, an exclusion would apply for this occupation. This means that any illness or injury resulting from performing the occupational duties of this secondary job will not be covered.

For example: John is an accountant (occupational class 1) who also works as a taxi driver at the weekend. Taxi drivers are not currently accepted for Income Protection cover but John can insure his accountancy salary.

If John is unable to work because of an illness or injury, his policy will provide an income based on his accountancy salary.

However, it should be noted that if John had an accident while working as a taxi driver, and if the subsequent injuries stopped him from carrying out his accountancy duties, his claim would not be accepted.



If you're not accepted for Income Protection cover, your Financial Broker can advise you on the alternative options that are available to you. For example, Multi-Claim Protection Cover might be a suitable alternative option.

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 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 your change in situation, 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 illness or injury and your occupation and income. It will also ask about any other types of income or entitlements you 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 you in respect of the disability.

In general, when we receive your claim, your ability to carry out your normal job following your illness or injury is 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 from the end of your Deferred Period until you are well enough to return to work, or you reach your policy expiry age.

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

If the Income Protection benefit is higher than this maximum benefit then your 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 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 State Illness Benefit*	-€901	-€10,816
Maximum Income Protection benefit payable	€1,849	€22,184

Tony has an Income Protection policy for €20,000 per annum (€1,667 per month). At claim stage, his monthly Income Protection benefit of €1,667 is lower than the maximum Income Protection benefit payable of €1,849. Therefore the full gross benefit is payable from his Income Protection policy.

* 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

However, let's look at an example where Tony has too much cover in place. Let's say Tony's 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 you 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.

While you are in receipt of an Income Protection benefit, we do not charge you a premium for that benefit.

Your Income Protection benefit is taxed the same way as your normal income. So, income tax, PRSI, USC and government levies need to be considered. We will deduct the relevant taxes from your Income Protection benefit the same way an employer normally would and pay you the net amount.

Want to know more?

If you have a question about 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

For information about our Privacy Policy, please read our Privacy Notice available at www.royallondon.ie/privacy-policy

This brochure is a marketing guide to Royal London Ireland's Personal Income Protection cover. Its purpose is to provide a general overview and guidance on the benefits of a Royal London Ireland Personal 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 Personal 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 September 2022 which may change in the future.



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