

broadbench

Your Guide To Executive Income Protection

Designed for businesses to protect
against the financial impact of their
employee's incapacity



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What Is Executive Income Protection?

A specialised insurance solution tailored for businesses to safeguard against the financial implications of an employee's incapacity to work due to illness or injury.

Executive Income Protection allows businesses to protect not only an employee's salary but also other forms of remuneration, such as dividends and P11D benefits.

Additional cover is available to include employer pension and National Insurance (NI) contributions, offering comprehensive financial security for both the employee and the employer.



How It Works

1. Policy Enrollment

The business takes out the Executive Income Protection policy.

2. Income Protection

The employee's earnings are safeguarded.

3. Trigger Event

If the employee becomes injured or unwell and unable to work, the business initiates a claim.

4. Claim Payout

Upon verification, the insurer pays a monthly benefit aligned with the coverage level.

5. Termination Of Payments

Payments cease when the employee returns to work, the benefit payment period ends, or in the event of their death, whichever occurs first.

What Is Covered?

Earnings Covered

- **Salary**
- **Overtime and Bonuses**
- **P11D Benefits**
- **Dividends**
- **Spouse or Registered Civil Partner Earnings and Dividends** that cease in the event of the employee's incapacity.

Maximum Benefits

- **Employee Annual Earnings:** Up to 80% of annual earnings, capped at £300,000 for level benefits or £210,000 for increasing benefits.
- **Pension Contributions:** Employer contributions up to £40,000.
- **National Insurance:** Employer NI contributions capped at £42,500.

All statements concerning the tax treatment of products and their benefits are based on our understanding of current tax law and HM Revenue and Customs' practice. Levels and bases of tax relief are subject to change.



Additional Benefits

1. Rehabilitation Support Service

Eligible claimants gain access to a Specialist Rehabilitation Team. These professionals help structure a return-to-work program, facilitating recovery and reintegration into the workplace.

2. Proportionate Benefit

If an employee returns to work in a reduced role or at a lower income level following an illness or injury, the monthly benefit is adjusted to reflect the reduced earnings.

3. Pension Contribution Support

Optional at the outset, this feature ensures continued pension contributions during a valid claim, helping employees maintain retirement savings.

4. Waiver of Premium

Included as standard in most policies, this feature covers policy premiums during a valid claim after the deferred period.

5. Flexible Payment Options

- **Deferred Period:** Choose a waiting period of 4, 8, 13, 26, or 52 weeks before benefits begin.
- **Benefit Payment Period:** Payments can last for a limited period or until the employee's standard retirement age (50–70 years), depending on the chosen terms.

6. Continuation Option

If the employee leaves the business, the policy can transfer to a new employer, ensuring continuity of coverage.

Tax Treatment



Employer Paid Premiums

Generally not treated as a P11D benefit and may qualify as a business expense if deemed “wholly and exclusively” for business purposes.

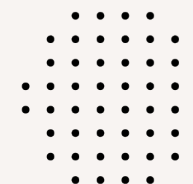
Benefit Taxation

When used for sick pay, the benefit creates a neutral tax position, treated as both a trading receipt and expense.

Employee PAYE Deductions

Benefits are subject to Income Tax and NI deductions when paid to the employee through PAYE.

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FAQ's

How does Executive Income Protection work?

Executive Income Protection (EIP) covers an employee's sick pay if they are unable to work due to illness or injury. The benefit is paid to the company, which then passes it on to the employee, with tax applied at that stage.

Who is the owner of an Executive Income Protection (EIP) Plan?

The policy is owned and funded by the business, not the insured individual.

How long does income protection last?

You can choose the policy duration, but it cannot extend beyond your retirement age.

What is short-term income protection?

A short-term income protection plan provides coverage for a portion of your income if you're unable to work due to illness or injury, typically for up to 12 or 24 months per claim.

What is long-term income protection?

A long-term policy covers a portion of your income until you either return to work or the policy expires. Most plans offer coverage up to retirement age.

What is "waiver of premium"?

Waiver of premium is a feature that covers your insurance payments while you're claiming benefits. This is typically included as standard with executive income protection.

What is a deferral period?

The deferral period is the waiting time between becoming ill or injured and when you can start claiming benefits. Shorter deferral periods increase the cost of the policy.

For example, if you have three months of sick pay and savings to cover two additional months, a five-month deferral period may be suitable.

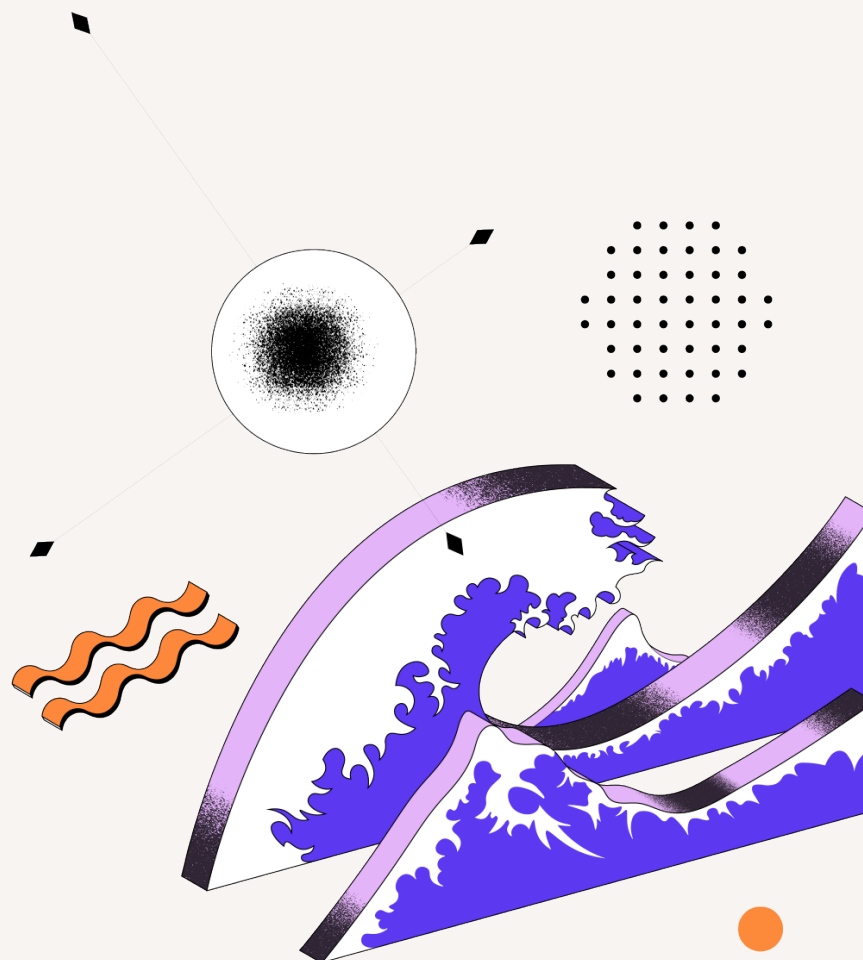
Why Broadbench?

Many of us decide on what insurance to go for (whether it's for your car, your house or your life) that fits the monthly premium we want to pay. Of course, you could go to a price comparison site and very quickly find the cheapest quote on the market, but would it be the best solution for you and your family?

Our advisers have the skills and knowledge to offer you bespoke and impartial advice, taking in a holistic understanding of your circumstances and combining it with a deep knowledge of what different providers offer. Not only that, but they know how to quickly navigate the insurance minefield and set up exactly what you require, taking the hassle out of your hands.

The Benefits Of Using Broadbench:

- Bespoke and impartial advice.
- You deal with a human, not a computer.
- The hassle is taken out of your hands.
- Access to expert market knowledge.



4 Simple Steps

How We Make Your Life More Manageable

1. We Listen To You

Getting to know you, your requirements and how you work enables us to find the perfect products for your needs.

2. We Study The Market

Leveraging our network of lenders and insurers, we scour the intermediary market to find the best options and dig into the detail to make sure they're the right fit for you.

3. We Do The Boring Bits

You just want to sign up with the right provider, not be buried in forms and red tape. That's why we run you through the details and fill out all the paperwork ahead of your final approval.

4. We Stay In Touch

We don't just recommend and walk away. We'll regularly check whether your product is right for your current circumstances and, if not, find a new one that is.

Our Services

Business Protection

- Relevant Life Insurance
- Key Person Insurance
- Executive Income Protection
- Business Healthcare
- Shareholder Protection
- Business Loan Protection
- Professional Indemnity

Personal Protection

- Life Insurance
- Whole Of Life
- Critical Illness Insurance
- Private Healthcare
- Personal Income Protection
- Buildings & Contents

Mortgages

- First Time Buyer
- Home Mover
- Remortgages
- Buy to Let

What Our Customers Say

We are passionate about our customers and providing the very best service. Take a look at our latest reviews on Trustpilot.

“Great service! – I've been using these guys for years for my mortgage options as a contractor. Great service and knowledge. I've also got a few other products with them. Looking forward to many more years of great service. ”

★★★★★ by Alexander Delaney

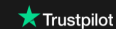
Rated 4.9 / 5 | 384 reviews



“Brilliant, as always – I'm a returning client of Broadbench, and I'm always impressed by their professionalism. Mike was incredibly helpful, and knowledgeable, and made the entire process smooth and stress-free. He took the time to ...

★★★★★ by Ali

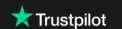
Rated 4.9 / 5 | 384 reviews



“Highly reccommend! Extremely helpful and took the time to explain and give all options for life insurance and income protection. Made the whole process very quick and smooth.”

★★★★★ by George Gordon

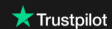
Rated 4.9 / 5 | 384 reviews



“Extremely helpful organised and knowledgeable. All the information required was conveyed concisely in a personable manner. ”

★★★★★ by Liam

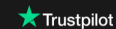
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“Contractor guidance. We have used the services of Broadbench for many years now and have always found the team to be highly professional. As a contractor, Tom and Emily have been excellent at securing the best deals for my ...

★★★★★ by MJ

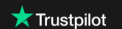
Rated 4.9 / 5 | 384 reviews



“Exceptional service and advice from Broadbench. I really appreciate the fantastic independent advise given and effort to get the positive outcomes in setting up the right Insurance policies for me and my business. Would recommend Broadbench ...

★★★★★ by Steve

Rated 4.9 / 5 | 384 reviews



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