

# Group Income Protection Cover

## State benefits and income protection

### What state benefits are available?

If an individual is unable to work due to accident or sickness, they are entitled to statutory sick pay 'SSP' subject to satisfying certain criteria. This would be paid by the employer for up to 28 weeks and the legal minimum is currently £92.05 per week (2018/2019). This benefit is not means-tested.

Benefits structures are complex, and more information can be found here [www.gov.uk](http://www.gov.uk).

There are a number of different state benefits and tax credits they may be able to claim. Some of the more relevant ones for your client's workforce are shown in the table.

Feature	Group Income Protection
Personal Independence Payment 'PIP'	Aged 16-64 with a long-term health condition or disability that affects their ability to live independently.
Employment and Support Allowance 'ESA'	<p>People who are not receiving SSP. This replaced incapacity benefit and income support from October 2008.</p> <p>Contribution-based ESA – an individual may be able to claim this if they have paid sufficient National Insurance Contributions. This benefit is not means-tested, albeit it is taxable.</p> <p>Income-related ESA – an individual may be able to claim this if their income is too low, or if they have not paid enough National Insurance Contributions, and meet the conditions.</p>
Universal credit 'UC'	This is being rolled out across the UK in stages, and is replacing income-related ESA and income-based job seekers allowance.

### What does this mean for my SME clients?

The need for income protection for employees is emphasised by the low levels of state benefits that are available in the event they are unable to work due to accident or illness, as well as the strict criteria they are assessed against in terms of their capability to work.

The increasing shortfall between state benefits and what an employee needs to manage financially can be filled with a group income protection policy, which usually tests against an individual's ability to carry out their own occupation or one to which they are suited.

In addition to paying income benefits in the event of an absent employee, insurers can provide a wealth of support and information to help employers and their employees manage absences and secure sustainable returns to work.

### What if my SME client already provides income protection for its workforce?

If your client integrates state benefits with its own income protection benefits, this should be regularly reviewed.

With the reductions in provisions of state support when an employee is unable to work due to accident or illness, and the increasing difficulty in meeting eligibility requirements, it may be worth considering severing the link to state benefits completely. Your clients can focus on ensuring their provision meets the needs of their workforce, without worrying about what the state may or may not provide.

### Want to know more?

Contact us on 0800 917 2111 or email [ebnewbusiness@metlife.uk.com](mailto:ebnewbusiness@metlife.uk.com). Our friendly teams will be happy to help.

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