

MY EARNINGS PROTECTED

SPLIT DEFERRED GUIDE




A **split deferred period contract** is designed for situations where the amount the client gets paid from work reduces in stages if they are off ill for a period of time.

For example, the client may be entitled to six months full pay followed by six months half pay from their employer. An example of this is a Police Officer, who receives 6 months full pay and 6 months half pay, and therefore selects a 26 and 52 week deferred period, which would result in staggered benefit amounts.

TO QUOTE

To quote for a split deferred period, you must ensure both monthly benefit sections are completed. To help with calculating the required benefit amounts, see example calculations below.

MONTHLY BENEFIT * 	DEFERRED PERIOD *	ADD SPLIT DEFERRED PERIOD 
£ 375	26 weeks	<input checked="" type="radio"/> YES <input type="radio"/> NO
MONTHLY BENEFIT *	DEFERRED PERIOD 2 *	
£ 1250	52 weeks	

Example 1: Full 65% of cover on a 6 months full 6 month half basis. Work out the maximum benefit of your client's annual salary: Example salary = £30,000 giving them £1,625 per month maximum cover ($£30,000 \times 0.65/12$).

First deferred 6 months: While your client is being paid 50% of their salary from their employer, we pay 15%. Annual salary $£30,000 \times 0.15/12 = £375$ per month benefit.

Second deferred 12 months: When the client's employer no longer pays sick pay, we pay an additional 50% (making up the full 65%). Annual salary $£30,000 \times 0.50/12 = £1,250$ per month benefit.

Total amount at 12 months = £1,625 benefit per month.

Example 2: Specific amount of cover on a 6 months full 6 month half basis.

Work out the maximum benefit of your client's annual salary: Example salary = £30,000 giving them £1,625 per month maximum cover ($£30,000 \times 0.65/12$).

Find out the amount the employer is paying the client: $£30,000 \times 0.50 = £15,000/12 = £1,250$ per month. Now look at the amount of cover the client wants. For example: £1,1500 per month benefit.

First deferred 6 months: While your client is being paid 50% from their employer, we will pay £250 per month benefit (amount of cover £1,500 - £1,250 from employer).

Second deferred 12 months: When employer no longer pays sick pay, we pay an additional £1,250 per month benefit (amount that the employer was paying).

Total amount paid at 12 months = £1,500 benefit per month.



HELPFUL TIP: Any continuing income and income protection benefit cannot exceed 65% of the pre-incapacity earnings.

WE'RE HERE TO HELP YOU

If you have any further questions, please contact our **Adviser Services Team** on **0800 587 5098** or **adviserservices@cirencester-friendly.co.uk**.

For any amendment queries, please contact our **Member Services Team** on **0800 587 5098** or **memberservices@cirencester-friendly.co.uk**.

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