

# KELLAWAY BUILDING SUPPLIES GROUP LIFE COVER SCHEME



## INFORMATION SHEET

*Full details of the scheme are set out in the scheme rules. You can ask to inspect these rules at any time. The benefits are assured by UNUM.*

### 1. Cash Sum

In the unfortunate event of your death whilst you are in our employment and under the age of 70, a cash sum will be paid which is equal to three times your annual basic pay at the date of death.

### 2. Costs

The whole cost of providing your benefits will be met by us.

### 3. Conditions for Start of Cover

Group Life Cover starts immediately following the date you satisfy the conditions below:

- You are a permanent employee
- You are at least 16 years of age
- You are 64 years of age or less
- You have been employed by us for at least 3 months and your probationary period has been successfully completed and confirmed by us.
- You meet the “actively at work” requirements of the insurance company, which normally requires you to be actively at work (i.e. performing your normal duties and working your normal hours) on the date cover starts or on the last working day immediately before that date.

### 4. Duration of Cover

- You will be covered whilst you remain in our employment up to age 70.
- Cover may continue up to your 70<sup>th</sup> birthday if you are absent from work during any period where absence is due to injury or illness, up to 1 year if absence is due to Crown Service, and up to 3 years if absence is due to any other reason. If under these circumstances your salary drops to nil, but you remain employed by the company, the level of cover is set at three times your basic annual salary prior to absence.
- Cover will stop when
  - you retire from our employment
  - you leave our employment
  - you move to a job not covered
  - we find it necessary to stop contributions, or
  - your contract of employment in force at the time cover starts has expired

## **5. Tax**

- You will not be taxed as a benefit in kind on the contributions we make. The cover is provided under a scheme set up to enjoy the tax advantages of approved schemes under Chapter I Part XIV Income and Corporation Taxes Act 1988. A trustee has been appointed to look after the scheme.
- A cash sum payable on your death could attract inheritance tax. To minimise the chance of this, any cash sum will be applied at the scheme trustee's discretion. Please see the notes under Payment of Death Benefit below.

## **6. Special Provisions**

- Because of the tax advantages granted to this type of scheme, the Inland Revenue has a limit on the amount of cash sum that can be paid. As the Death in Service Scheme is a pension the rules relating to your Lifetime Allowance apply. This means that any sum received by your dependants in respect of your pensions, including payments from this scheme, will be paid without deduction of tax providing it is within the lifetime allowance.
- No evidence of your health is normally needed. However, in exceptional cases there may be a level of cover above which evidence of your good health is needed. Before any cover or any increase in cover is provided, evidence that your health is satisfactory may be required. If such evidence proves unsatisfactory it may be necessary to delay your cover starting or set special terms in respect of it. You will be told if this is the case.
- Similarly, if you take part in any sport, activity or pastime which is especially hazardous to life, cover or any increase in cover may be delayed or special terms may have to be set. Again you will be told if this is the case.
- In exceptional circumstances (for example where your death is one of many which occurs as a result of a catastrophe) the benefits payable may be restricted to the maximum amount payable by the insurance company in these circumstances.
- If you are a member of the Volunteer Reserve Force you should notify us because there may be periods when you will not be covered.

## **7. Payment of Death Benefit**

The scheme rules allow the Trustee a limited discretion in deciding to whom and in what shares cash sum benefits arising on a member's death should be paid. By wording the rules in this way the benefits will not under present law and practice be liable to inheritance tax.

If a member leaves a widow or widower, the Trustee will usually assume that they are the person to whom a cash sum death benefit should be paid. If you are not married or think anyone else should be considered you may make this known by completing a nomination form. This will be kept confidentially on your personnel file. If you want to do this, please ask Group HR for the necessary nomination form.