

# What is Income Protection?



**Income Protection provides a financial benefit if you are unable to work due to illness or injury.**

It pays a percentage of your income whilst you are unable to work. Benefit payments begin after you have been off work for a defined period of time and can be paid for a fixed term or until state pension age\*. **It's a back-up plan in case of illness or injury.**

Illnesses and injuries do happen: **3 times** as many people of working age suffered a long-term illness than died in 2014<sup>1</sup>. Conversely, many of us get Life Insurance to protect our families financially against our death, while around **1 in 10 of us have Income Protection**<sup>2</sup>: the only insurance that will continue to provide you with a percentage of your salary if you go on long-term sick leave.

**\*Terms and Conditions apply. Cover depends on the policy agreed between Unum and an employer.**

## Susan's story

Susan had suffered with breathlessness and exhaustion for some time. As impact on her work and home life grew, she was referred to hospital where she was diagnosed with a hole in the heart.

As part of her company's Income Protection plan with Unum, she had access to an expert Vocational Rehabilitation Consultant (VRC). After Susan had her heart surgery her dedicated VRC, Beth, got in touch.

"She was a huge help because I could talk to her. While I knew I had to get back to work, Beth stressed that I had to do it in the correct way, rather than rushing back and making myself feel worse and failing."

"Having Income Protection in place was also a big help. I had that cushion and didn't have to worry about not being paid. I've seen other people in my position and it takes them twice as long to get back, or they return too soon because they desperately need the money."

Having Income Protection in place was a big help. I had that cushion and didn't have to worry about not being paid. I could focus all my energies on getting well.

Susan Winder



# Why Income Protection is a good idea

Without income protection, if you are unable to work because of illness or injury, it is likely that your lifestyle will be significantly affected.

Most of us don't realise what would happen if we were to go on long-term sick leave. In fact, although many employers go further, they are only obliged to pay Statutory Sick Pay for 28 weeks. The State benefit that then kicks in only pays between £3,800 and £5,700 a year for most people<sup>3</sup> - a maximum of around 20% of the average salary<sup>4</sup>. And worryingly, almost a quarter (24%) of UK households have no savings at all to fall back on.<sup>5</sup>

Around **1 in 10**  
private sector workers in the  
UK have insurance to protect  
their income if they fall ill.<sup>5</sup>



**8.5 million**

Households in the UK would not  
last a week on their savings.<sup>5</sup>

The state provides up to

**£5,700**

per year\* which is significantly  
less than the typical salary.<sup>3</sup>



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Susan Winder



**For more  
information**

visit

[unum.co.uk](http://unum.co.uk)

\*ESA rates for those placed in the Support Group

Tax and welfare benefits can change. From April 2017 the weekly rate of ESA for new claims is £73.10 for those placed in the Work Related Group and £109.65 for those placed in the Support Group. Consider seeking further information from HMRC, Benefits Agency or another source such as the Citizens Advice Bureau.

## Sources:

1. ONS Weekly death figures, 2014; DWP: Employment and Support Allowance: outcomes of Work Capability Assessments, 2016
2. ONS UK Labour Market, June 2016; ABI Welfare Reform for the 21st Century, Sept 2014
3. [www.gov.uk/employment-support-allowance/what-youll-get](http://www.gov.uk/employment-support-allowance/what-youll-get)
4. ONS Annual Survey of Hours and Earnings, 2015
5. HSBC Opinion Matters Survey (all figures based on ONS data, 2014)

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