

Salary Protection Scheme

For SIPTU Allied Health Professionals and
Members of the MLSA

Review 2017



Member update

This Salary Protection Scheme is exclusively available to eligible members of SIPTU Allied Health Professionals and the MLSA. The Scheme is typically reviewed every three to five years, to ensure that members continue to receive the most competitive rate and benefits available.

Cornmarket, SIPTU and the MLSA carried out a comprehensive review in 2017 involving all insurers in the Group Protection market in Ireland. Following this, SIPTU and the MLSA agreed to appoint New Ireland Assurance as the new underwriter of the Scheme; as they provided the most competitive rate and benefits for members.

In the past 5 years, members have enjoyed premium rates that were among the lowest in this sector for the level of benefits insured. However, during this review period, the level of claims has greatly increased compared to previous review periods. This has meant that members and their families have benefited greatly from the Scheme. However, it has also meant that the cost of providing cover for the Scheme has greatly increased as a result, amendments to the benefits and a premium rate increase are required at this review. The details of these changes are outlined in this document.

Similar to other Schemes in this sector, addressing the changes in claims experience at this review is vital to protecting the long term viability of the Scheme. This is to ensure that it continues to provide the essential financial benefits to members and their families at a time when they need it most.

The Scheme has proven to be truly invaluable for members and their families. Since the last review in 2012, there has been a significant increase in claims; and the current level of claims are expected to continue over the next 3 years. The average age of members has also increased. As a result of these factors, there has been a necessary increase in the cost of membership at this review, to ensure the long term viability of the Scheme.

All of the changes outlined in this document will take effect from 1st January 2018 and are intended to remain in place until the next review of the Scheme which is scheduled to take place on the 1st January 2021.



Membership of the Scheme is more vital than ever

If you fall ill, your sick pay provides you with an income for a limited period only. Since the changes to Public Sector Sick Leave Arrangements in 2014, this period is even shorter than before.

This has resulted in more SIPTU Allied Health Professionals and MLSA members having to claim from this Salary Protection Scheme than ever before. What's more, the number of members claiming long term benefit is proportionately higher than many other Schemes.

This Scheme delivers vital financial support and the proof can be seen in the claims paid out to members and their families, as seen in '[The Scheme in Action](#)'.

The Scheme in Action*

The true value of the Scheme can be seen in the vital benefits that it pays out to members and their families.

1,055

Members currently in the Scheme



€2.9 million

In Disability Benefit has been paid to date

€740,000

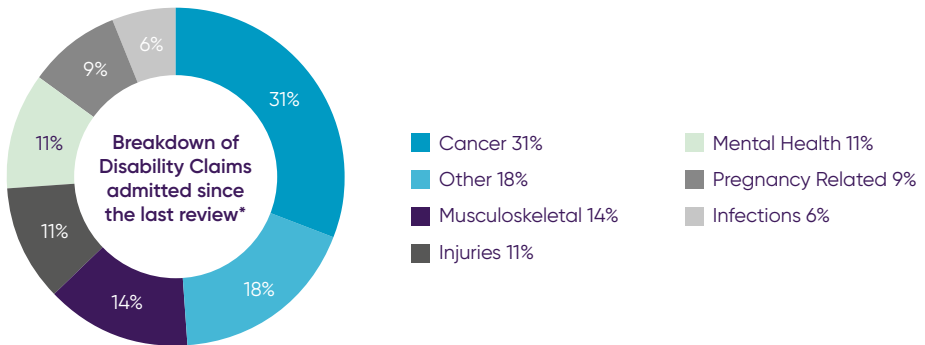
Currently paid in Disability Benefit annually

€450,000

Paid in Death Benefit since the 2012 review

€313,000

Paid in Specified Illness Benefit since the 2012 review



*Source: Irish Life & Cornmarket, October 2017.

Change in cost of membership

The 2017 review of the Salary Protection Scheme for SIPTU Allied Health Professionals and members of the MLSA has resulted in a necessary increase in the cost of membership due to a combination of two main factors:

1. The level of claims experienced since the last Scheme review

This was higher than the anticipated rate of claims and is expected to continue over the next 3 years*

and

2. An increase in the average age of Scheme members

Since the 2012 Scheme review, the average age of members has increased from 44 to 46. This increases the overall risk associated with the Scheme.**

*Source: IrishLife, October 2017. **Source: Cornmarket, October 2017

From 1st January 2018, the cost of membership will increase from 1.10% to 2.45% of gross salary. Cornmarket, SIPTU and the MLSA understand the difficult financial circumstances that members may find themselves in at present; however the necessary steps had to be taken to ensure that members continue to receive the vital benefits they may need.

Benefit	Old Rate	New Rate
Disability Benefit	0.66%	1.96%
Death Benefit	0.24%	0.27%
Specified Illness Benefit	0.15%	0.17%
Medical Immunity Benefit*	0.05%	0.05%
Total Gross Rate	1.10%	2.45%

*Entitles members to join the Cornmarket Retired Members' Life Cover Plan at retirement without medical underwriting (underwritten by Irish Life).

Important changes at this review

Following the 2017 review of the Scheme, there are a number of key points to note in relation to claiming from the Scheme:

1. Annual increase in Disability Benefit will not apply to new claims

Up to now, after a claim was in payment for 12 months, the amount of Disability Benefit paid would increase by the lesser of: 5% per annum or by the increase in the Consumer Price Index*. This will not change for existing claimants. However, this annual increase will not apply for new claims admitted by New Ireland after 1st January 2018.

*In the last 3 years, the annualised average Consumer Price Index has been less than 1%. (Source: cso.ie, July 2016).

2. Change to Specified Illness Benefit

From the 1st January 2018 some of the Specified Illness definitions have been updated. For a full list of the 36 Specified Illnesses and the 10 Partial Payment Specified Illnesses covered, their definitions and associated terms and conditions, please see cornmarket.ie/sjptu or cornmarket.ie/mlsa.

3. On-Call Benefit

Medical Laboratory Scientists and Radiographers receive 'session' & 'call out earnings' that are non-pensionable. Since 2004, premiums for membership of this Scheme have been based on pensionable salaries* only. However, in the event of a claim, benefit was based on both pensionable and non-pensionable salary. Following this review, benefit will be based on pensionable earnings only. This is in order to help contain the premium increase.

*The definition of pensionable salary is: Basic annual salary at the end of the deferred period plus the annual average over the preceding 3 years of allowances that are taken into account for pension purposes.

A reminder of your benefits

Disability Benefit

a benefit of up to 75% of pensionable salary less any other income that you may be entitled to (e.g. half pay, Ill Health Early Retirement Pension, Temporary Rehabilitation Remuneration, State Illness or Invalidity Benefit).

Specified Illness Benefit

a once-off lump sum of 25% of pensionable salary paid in the event that you suffer one of the 36 Specified Illnesses covered. There is only one Specified Illness Benefit claim per member per plan.

Partial Payment Specified Illness Benefit

a once-off lump sum of €10,000 or 25% of pensionable salary (whichever is less) if you suffer one of the 10 less severe, but still life altering, conditions covered under this benefit. There is only one Partial Payment Specified Illness Benefit claim per member per plan.

Death Benefit

of twice your annual pensionable salary.

- Terminal Illness Benefit – 25% of the Death Benefit is paid on diagnosis of terminal illness where death is expected within 12 months; with the remainder paid on the death of the member.
- Accidental Death Benefit – €15,000
- Children's Death Benefit – €4,000

Pensionable Salary is defined as: Basic annual salary plus the average over the last 3 years of any fluctuating earnings that are taken into account for pensionable purposes.

For more information, including terms & conditions and details of the Specified Illnesses that are covered, please go to cornmarket.ie/siptu or cornmarket.ie/mlsa or contact Cornmarket on (01) 408 6280.

Important

You must be a member of SIPTU Allied Health Professionals or the MLSA to be an eligible member of the Scheme. If you leave SIPTU Allied Health Professionals or the MLSA you must inform Cornmarket in writing, as you can no longer stay in the Scheme and you will not be able to claim from it.



Tax relief!

You can claim tax relief at your highest rate of tax on the Disability Benefit element of your Scheme cost. The Disability Benefit will appear under one heading on your payslip and the gross amount will be shown, however the net cost to you will be less as tax relief on the cost of the Disability Benefit may be available.

What's more! If you are paying for your Scheme membership by deduction at source, then your tax relief is applied automatically at source.

If you pay by Direct Debit you can claim tax relief by completing a Tax Relief Claim Form (see revenue.ie).

Here are some examples of the new weekly cost, after tax relief is applied:

Tax Relief

Income	Gross Cost	Net Cost
€35,000	€16.43	€13.80*
€45,000	€21.13	€14.37**
€55,000	€25.82	€17.56**

*If you are paying income tax at 20%, your net contribution rate will be 2.06%

**If you are paying income tax at 40%, your net contribution rate will be 1.67%

A Claims Service you can trust

Cornmarket's Claims Team is dedicated to representing you in all dealings with the insurer, New Ireland Assurance. We're here to help you.

Our team is specialised, experienced and easy to talk to. We do all we can to help in a member's time of need. We provide a vital 'hand-holding' function from start to finish of the claims process.

If you need to make a claim, you can rest assured that your claim will be dealt with in the efficient, professional and sensitive manner that you deserve.



This review is designed as a quick reference only to the benefits of the Scheme and the main changes arising from the 2017 Scheme review. Terms and conditions apply. Benefits and claims are subject to underwriting and acceptance by New Ireland. The master policy document (No. V000083E) is definitive in all matters of interpretation and entitlements to benefits. Members of the Scheme may request a copy of the policy document from Cornmarket Group Financial Services Ltd. The information herein is based upon our current understanding of Revenue law and practice as at November 2017.

We're here to help you

To speak to a member of our team about a query or a claim:

Phone: Queries **(01) 408 6280**/Claims **(01) 408 4018**

Queries: **spsadmin@cornmarket.ie**

Claims: **spsclaims@cornmarket.ie**

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