

NFVB Salary Protection Scheme

Review 2018



Member update

The NFVB Salary Protection Scheme is exclusively available to those employed by member organisations of the National Federation of Voluntary Bodies.

This year Cornmarket and the NFVB carried out a comprehensive review involving all insurers in the Group Protection market in Ireland. Following this, the NFVB agreed to retain Friends First as the underwriter of the Scheme, as they provided a competitive rate and benefits for members.

The Scheme has proven to be truly invaluable for members and their families over the years (see page 4 for more information). Since the last review in 2015, there has been a significant increase in claims and the current level of claims is expected to continue over the next 3 years. As a result of these factors, a **significant change in the benefit structure** of the Scheme is necessary in order to ensure the long term viability of the Scheme. See pages 6 and 7 for details.

All of the changes outlined in this booklet are effective from 1st November 2018 and will remain in place for 3 years until the next review of the Scheme, which will take place on or after 1st November 2021.

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.

752

Members currently in the Scheme†

92%

of Disability Benefit claims have been paid since the 2015 review*

Over €3 million

Paid by Friends First in Disability Benefit since the 2015 review*

Over €1 million

Currently paid in Disability Benefit annually to members*

†Membership: Cornmarket, August 2018.

*Source: Claims: Friends First, September 2018.

A reminder of your benefits

- ✓ **Disability Benefit** – Depending on whether you are a member of the NFVB Pension Scheme or not, the level of cover you would receive from the Scheme differs:

For those who ARE in the NFVB Pension Scheme

- A **Disability Benefit** of up to **66.67%** of salary less any other income that you may be entitled to (e.g. half pay, Ill Health Early Retirement Pension, State Illness Benefit or State Invalidity Pension).
- In addition, a **Pension Protection Benefit** of 12%* of salary paid to your pension scheme administrator to take account of the fact that pension contributions cease once your sick pay runs out.

*includes the NFVB Life Cover Plan premium.

For those who ARE NOT in the NFVB Pension Scheme

- A **Disability Benefit** of up to **75%** of 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 Benefit or State Invalidity Pension).

- ✓ **Death Benefit** – Accidental Death Benefit – €15,000
– Children's Death Benefit – €4,000.

The above is a short summary of the key benefits available in the Scheme. For the full terms and conditions of each benefit, please see the Scheme summary booklet at cornmarket.ie/nfvp or contact Cornmarket on **(01) 408 6280**.

Important: Change to payment of benefit for new claims after 1st November 2018

From 1st November 2018, there will be a new benefit payment structure in place for **new claims** that are in payment for **over 36 months**.

Disability Benefit **up to 36 months** – no change

- Once your claim is admitted, the payment of benefit will be the same as the current structure for a period up to 36 months if you are unable to carry out your Normal Occupation in respect of a single or related claim*
- During this period, the type of Disability Benefit that is paid is known as Transitional Cover.

*A 'related' claim is one where the illness or injury that you are claiming for is the same or related to the illness or injury that you previously claimed for, in the reasonable opinion of Friends First's Chief Medical Officer.

Disability Benefit **over 36 months** – new Functional Assessment Test required

- Once you have received 36 months of Disability Benefit payments from the Scheme, you will be required to undergo a Functional Assessment Test in order to continue receiving Disability Benefit
- Provided that you are unable to return to any work **and** you pass this test, the type of Disability Benefit that is paid is known as Full Disability Cover
- There are two separate Health Assessments in the Functional Assessment Test, Physical and Mental. In order to qualify for Full Disability Cover you must pass **one** of these assessments.

Here is an outline of what each of the assessments entail:

1. Physical Health Assessment

To satisfy this test the member must have lost the ability to do three or more of the following activities:

- **Walking:** Walk for more than 200 metres, on a level surface with a walking stick or other aid, without stopping
- **Climbing:** The ability to walk up and down a flight of 12 stairs without stopping or holding on
- **Lifting and carrying:** Pick up, with either hand, a 1kg weight from table height and carry it for 5 metres
- **Operating controls:** Physically able to operate standard light switches or taps with either hand
- **Writing:** The ability to use hands and fingers, being able to write legibly
- **Hearing:** Hear, while using a hearing aid, well enough to understand someone speaking a common language in a normal voice in a quiet room
- **Speaking:** Be understood by other people when speaking in a common language in a quiet room
- **Seeing:** The ability to pass a standard eye test for driving (while wearing corrective lenses if required)
- **Recognising money:** The ability to recognise the transactional value of money

Or

2. Mental Health Assessment

To pass this test you must have been diagnosed by a Consultant Psychiatrist (recognised by Friends First) as suffering from Mental Incapacity due to an organic brain disease or brain injury which:

- Has affected your ability to reason and understand
- and**
- Requires the need for constant supervision and the assistance of another person.

Cost of membership

The cost of membership will reduce **from 2.55% to 2.47%** of gross salary from 1st November 2018 and is guaranteed for the next 3 years.

You can claim income **tax relief** on your Scheme premiums. On your payslip the gross amount appears, however the net cost to you will be significantly less. Here are some examples of the new weekly cost, after tax relief is applied:

Disability Benefit	Current Rate	New Rate
Gross Rate	2.55%	2.47%
Net Rate if paying income tax at 20%	2.04%	1.98%
Net Rate if paying income tax at 40%	1.53%	1.48%

Income	Weekly Gross Cost	Weekly Net Cost at 20% income tax	Weekly Net Cost at 40% income tax
€30,000	€14.20	€11.36	n/a
€40,000	€18.93	€15.14	€11.36
€50,000	€23.67	n/a	€14.20

If you are paying by Salary Deduction, income tax relief will be applied automatically.

If you pay by Direct Debit, you can claim income tax relief by submitting details to your Tax Office.

We're here to help you

You're in good hands. Cornmarket's Claims Team is specialised, easy to talk to and dedicated to representing you in all interactions with the Insurer.

It's good to know that if you ever need to make a claim, it will be dealt with in the efficient, professional and sensitive manner that you deserve.

But don't just take our word for it. Here's what Cornmarket claimants have to say about the service they received*:

97% would **recommend** Cornmarket

86% rated our claims service as **excellent**

"Everyone I dealt with in Cornmarket, from the initial contact through to a final decision on the claim, could not have been more helpful and professional."

*Source: Cornmarket Claimant Survey, July 2017-May 2018.

IMPORTANT INFORMATION ABOUT MAKING A CLAIM:

- You must be employed by an NFVB organisation to be an eligible member of the Scheme. If you leave employment with an NFVB organisation 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.
- Claims can take around **3 months** to process from the date that the claim form is received, until the decision is made. It takes time to gather the necessary medical evidence and information from employers, to assess the amount of benefit due. This can include details of salary, sick leave, half and off pay dates, Temporary Rehabilitation Remuneration and Ill Health Early Retirement Pension where applicable. Therefore, it is vital that you contact us as soon as you become aware that you will need to make a claim.

This review is designed as a quick reference only to the benefits of the Scheme and the main changes arising from the 2018 Scheme review. Terms and conditions apply. Benefits and claims are subject to underwriting and acceptance by Friends First. The master policy document (No. 710030) 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 September 2018.

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**

Email: Queries **spsadmin@cornmarket.ie** / Claims: **spsclaims@cornmarket.ie**

Christchurch Square, Dublin 8 Tel: (01) 408 6280 Web: cornmarket.ie

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