



MEARNS
& COMPANY
CHARTERED FINANCIAL PLANNERS

LIFE ASSURANCE Decision Making Guide

INVESTORS IN PEOPLE™
We invest in people Platinum

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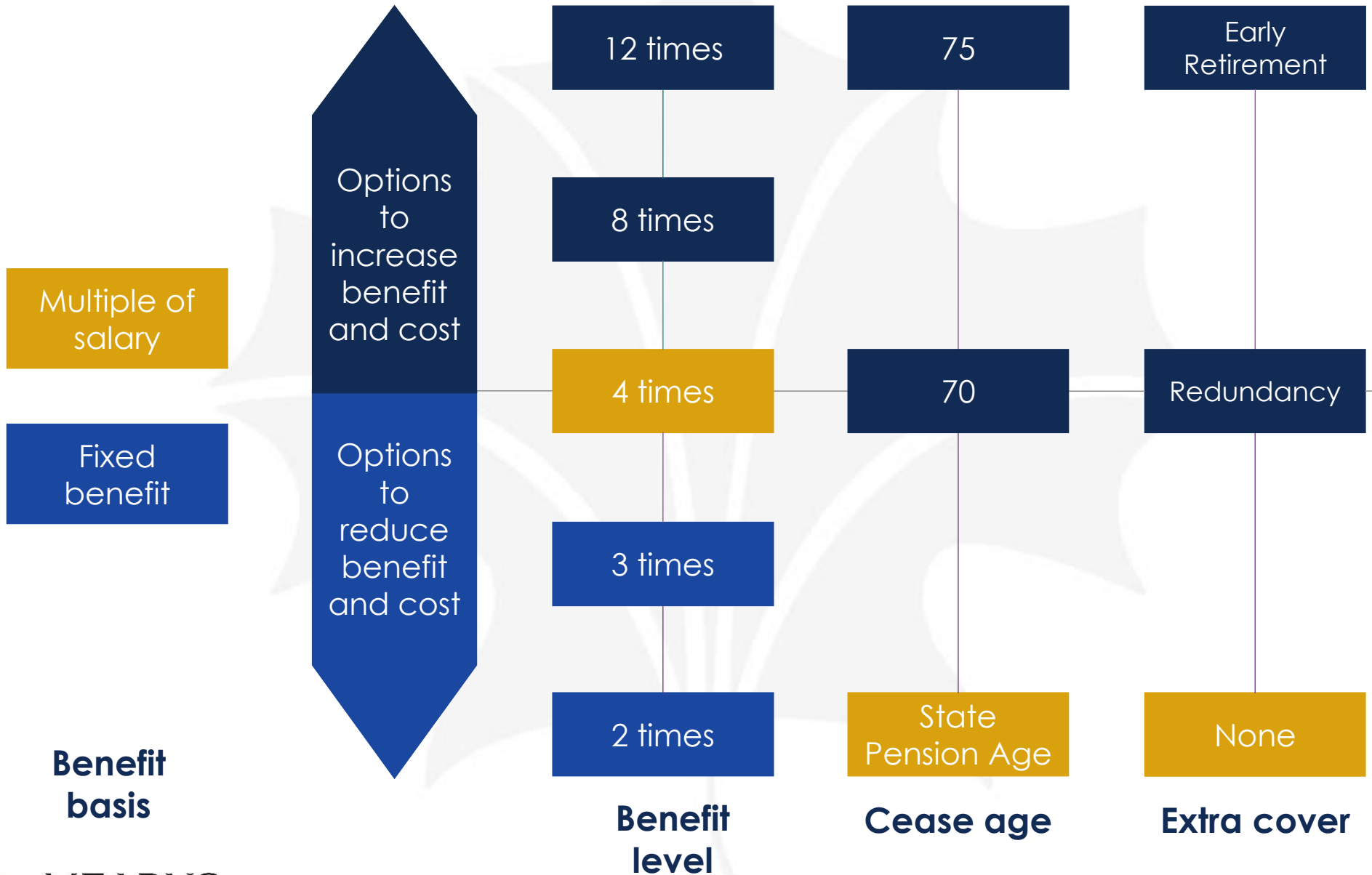
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Life Assurance



Life assurance

Benefit type	Benefit basis	Benefit level
<ol style="list-style-type: none"> Lump sum Dependent pension – payable to either a spouse, child, or financial dependent. <i>(not available through an excepted life trust)</i> 	<p style="text-align: center;"><i>Lump sum</i></p> <ol style="list-style-type: none"> Multiple of salary; Fixed benefit <p>The fixed benefit basis favours lower paid employees – they receive a higher multiple of salary relative to higher paid employees.</p> <p><i>Dependent pension</i> – a proportion of salary only.</p>	<p style="text-align: center;"><i>Restrictions</i></p> <ol style="list-style-type: none"> Individual provider limits – although these are typically between £1million and £10 million. Lifetime allowance (<i>applies to registered life assurance</i>) currently £1.0731 million. Exceeding this limit will result in a tax charge.
Cease age	Redundancy	Early retirement
<p>The age at which employees will no longer be covered by the scheme.</p> <p>Due to age discrimination legislation, this must be set at State Pension Age at minimum. The maximum cease age is 75.</p>	<p>Allows employees who are made redundant to retain cover for up to two years, or until they find alternative employment – whichever is earlier.</p>	<p>Allows employees who retire before the cease age to retain benefits.</p> <p>Sometimes restricted to those who are in receipt of disability pension from an occupational pension scheme.</p>