

GROUP INSURANCE

How it Works Flexible Benefits

How does a flexible benefit plan work?

Selection of the products and benefits for the plan

Given the wide range of benefit options, the selection made by an employer should be based on what best suits their culture and will be most valued by their employees.

An employer may also find it appropriate to provide a level of automatic cover, for certain benefits included in the plan, to all employees. This is usually known as 'core' or 'default' cover and is most commonly found where Life Assurance and / or Income Protection form part of the flexible benefit plan.

Once the benefits and any core / default amounts have been finalised, minimum and maximum amounts may need to be decided upon.

Selection of benefits by employees

Those who are entitled to flexible benefits are usually given a set period of time to make their first benefit selection.

In addition, they will normally be able to select and / or change their benefits once a year during what is called an 'Open Enrolment' window.

This window, usually a period of three to four weeks, allows an individual to decide what benefits they wish to purchase for the next twelve months. The selection made will then become effective from a set date after the window closes.

Selection of benefits is usually made via a web based administration system which should provide:

- literature or in depth information, to explain the benefits available
- any rules which are imposed if the benefits are selected
- the cost to each employee of the benefits

Amending benefits outside of an Open Enrolment window

This may be possible with certain benefits but is usually dependent on the individual having a significant change to their personal circumstances e.g. marriage.

These significant changes are known as 'Life Events' and have to be agreed when benefits included in the plan are decided.

Those benefits which can be amended will usually have restrictions imposed on:

- how they can be changed
- the period of time allowed to make any changes

How are premiums paid?

An employer will usually agree to pay for some of the benefits provided e.g. core / default amounts.

Premiums for any additional flexible benefits will normally be paid for by the employee making the selection.

As our contract is with the employer, all premiums must be paid by them. We therefore expect them to collect any premiums from their employees in an appropriate manner.

Useful information can be found in the following documents
(Click below to view)

Life events

Benefit selections and increases allowed

Requirements once benefits have been selected



Our forms are available to download from our website: www.canadalife.co.uk/group

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