

# GROUP INCOME PROTECTION

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## Legal Information

### What we do

Canada Life Limited is a company carrying out insurance business (also referred to as an insurance undertaking). We do not provide advice on whether the product meets your particular requirements.

### Remuneration

Canada Life may pay some of our staff bonus payments which are linked to the number and/or value of the policies which we sell.

### Financial strength

If you want to find out about our financial strength, including our solvency margin, you can view our Solvency and Financial Condition Report (SFCR) at [www.canadalife.co.uk/adviser/about-us/solvency-2](http://www.canadalife.co.uk/adviser/about-us/solvency-2)

### Compensation

If we are unable to meet our liabilities, you may be able to claim compensation from the Financial Services Compensation Scheme.

### Policy Cancellation

A cooling off period does not apply to Group Risk products.

#### When you can cancel the cover

he policy can be cancelled at any time but we must be advised in writing before the date you want to cancel the cover. This means:

- the policy will continue until we have received your written instruction
- we will not backdate the request to cancel cover
- we will charge for the time we provide cover

#### When we can cancel the cover

We reserve the right to cancel cover if:

- you do not pay the premium requested within 30 days of the date it was due
- you cancel a Direct Debit used to pay premiums
- you cancel any other policy insured with us which may be linked
- you do not comply with the terms of the policy
- new legislation or regulations are introduced, or changes are made to existing legislation or regulations
- the policy does not comply with existing legislation

**We will always confirm in writing if we intend to cease cover.**

### Queries and complaints

If you require any more help, or if you have a complaint about any aspect of the service you have received, please contact:

**Customer Service Centre  
Canada Life Limited Group Insurance,  
3 Rivergate, Temple Quay,  
Bristol BS1 6ER**

**Telephone:** 0345 223 8000

**Email:** [groupcsc@canadalife.co.uk](mailto:groupcsc@canadalife.co.uk)

**Fax:** 01707 671180

If we cannot settle a complaint it can be referred to:

**The Financial Ombudsman Service,  
Exchange Tower,  
London E14 9SR.**

**Telephone Free:**

0800 0234 567 or 0300 123 9123.

**Email:**

[complaint.info@financialombudsman.org.uk](mailto:complaint.info@financialombudsman.org.uk)

**Website**

[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Making a complaint will not prejudice your right to take legal proceedings.

### Law

The construction, validity and performance of the policy will be governed by English law. If there is any dispute between the parties about anything to do with the policy, the English Courts are the only courts which may make a judgment about the dispute.

Any person or company who is not a party to this policy does not and shall not have or acquire any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this policy. But after a claim has been made by the policyholder for a member, that member can pursue the claim as if they were the policyholder.



**Canada Life**  
Group Insurance

# GROUP INCOME PROTECTION

## General notes on taxation

The following sets out our understanding of the legislation and HMRC practice on 1st September 2018:

## Taxation of premiums paid

### Premium payments for income replacement benefits

Premiums paid by the employer are not normally treated as a P11D benefit where the employee is working in the UK and is subject to UK tax. These premiums are normally treated as a business expense.

Tax relief on premiums paid by the employer in respect of someone who has a proprietorial interest in the company or is an equity partner will not normally be available

### Premium payments in respect an employer's lump sum

Premiums paid by an employer in respect of an employee are treated as a business expense.

They may be treated as a P11D benefit for employees.

### Employees working outside the UK

You should clarify the taxation position of insured employees who are working outside the UK in all circumstances as the tax treatment of premiums and benefits will depend on the individual's circumstances.

## Taxation of claim benefits

### Income replacement benefits

Benefits received by an employer should be treated as a business receipt, and when passed on to the employee as salary, the payment should be treated as a business expense resulting in a neutral tax situation. The benefit paid to the employee as salary is subject to income tax.

In the case of a partnership, the benefits will usually be paid to the partnership on trust for payment to an incapacitated equity partner. Benefits paid to an equity partner are not subject to income tax.

### Employer's lump sum

The tax treatment will depend on a number of factors including whether employees have a contractual right or a perceived right/expectation to the employer's lump sum or it is paid on a discretionary basis.

If you make any payment to an employee tax-free and HMRC decide that the payment is taxable, you may be liable to pay this tax if you are unable to recover it from the employee.

HMRC may also decide that the premiums paid by you are taxable and you may be liable to pay this tax if you are unable to recover it from the employee.

The lump sum received should be treated as a business receipt. If this is passed on to the employee or used as contribution to the employee's pension arrangements, the payment should be treated as a business expense, resulting in a tax neutral position. This will not be the case if any part of the benefit is retained by you.

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Any lump sum payment made to an employee will be subject to income tax if:

- it is not paid as a result of terminating their contract of employment
- on account of redundancy the total redundancy payments exceeds £30,000

If their contract of employment is terminated on account of injury or disability, the lump sum may not be subject to tax.

Clarification of the tax position should be sought from your local tax inspector or guidance from appropriate advisors on employee communications and contracts of employment in respect of this benefit.



Canada Life Limited  
3 Rivergate, Temple Quay, Bristol BS1 6ER  
Telephone 0345 223 8000

Our forms are available to download from our website: [www.canadalife.co.uk/group](http://www.canadalife.co.uk/group)

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