

Vitality

LIFE INSURANCE

A guide to Relevant Life Plan.

POSITIVELY DIFFERENT LIFE INSURANCE



Why take out a Relevant Life Plan?

It's a tax-efficient and cost effective alternative - for both you and your employees - to offer a 'death in service' benefit that pays your employee's family a lump sum in the unfortunate event they were to die while employed.

In addition, a Relevant Life Plan benefits your employee, by making them feel more valued. But it also benefits your business as a whole, as they're likely to be more engaged, take less time off sick and be more productive.

Who's a Relevant Life Plan for?



COMPANY DIRECTORS

Provides a valuable tax benefit if their life insurance premiums are paid by your company.



KEY EMPLOYEES

A Relevant Life Plan can provide individual levels of cover so is ideal if you only want to reward a few employees or provide variable cover.



HIGH EARNERS

The benefits of Relevant Life Plans do not count towards the current Lifetime Allowance of £1,055,000¹, above which tax is currently charged at 55% tax (on death).

1. gov.co.uk, 2019

Why VitalityLife?

A Relevant Life Plan from VitalityLife allows you to offer your employees a wide-ranging benefits package which not only rewards them but helps them to live life well.

Not only does a Relevant Life Plan benefit your employees but it will also benefit the business as a whole as they're likely to be more engaged, take less time off sick and be more productive.

Award-winning life insurance.

**Defaqto 5-Star Rating - Life Cover
2012-2019**



5 key reasons to choose our **Relevant Life Plan.**

- 1 You get more affordable cover**
With our Vitality Optimiser or Wellness Optimiser, you receive an upfront discount on our fixed-term cover, as well as the opportunity to reduce your premiums when employees make positive lifestyle choices.
- 2 It's tax efficient**
When you take out a Relevant Life Plan for an employee within your business you make tax savings of nearly 50%, in the form of a tax deductible business expense and no National Insurance contributions.
- 3 Helping your business to attract and retain talent**
A great employee benefit for small businesses - they get great life cover and access to our range of health and reward partners.
- 4 Flexible continuation options**
We offer three continuation options, all without extra underwriting, enabling employees to replace cover with a personal protection plan (if they're under 65).
- 5 The Vitality Programme**
Everyone gets access to the Vitality Programme, which encourages our members to take steps towards a healthier future - and rewards them with real financial benefits. It means you can get something back for your premiums, without even having to claim.

Here's how
a **VitalityLife**
Relevant Life
Plan works.

Choose your plan and term type.

All of our Relevant Life Plans start with selecting the life cover amount and term². With our life cover you're able to choose from either a Guaranteed or Reviewable Premium Basis.

In addition, our Relevant Life Plans can be:

- Level
- Indexed³

The Vitality Programme.

As well as the highest levels of cover, your employees can earn rewards for healthy habits, so they can still benefit without even having to claim.

The three-step Vitality programme:

1. Understand your health
2. Get healthier
3. Be rewarded

When you opt for either our Vitality Optimiser or Wellness Optimiser, you'll receive an upfront premium discount on our award winning cover, as well as the ability to keep your premiums low when your employees make positive lifestyle choices. This helps make the cost of cover more affordable for everyone.

Trusts.

In order to make the most of the tax-relief benefits that a Relevant Life Plan provides, you should put the plan into a Discretionary Trust.⁴

2. Minimum one year term. Cover must end before 75th birthday.

3. If you choose an indexed plan, at each plan anniversary your cover will increase by Retail Prices Index (RPI). Premiums will increase by RPI plus 2.5%.


4. The owner is the business and the life assured is the employee. All employees are eligible (including shareholding directors of limited companies) but not business owners such as sole traders, equity partners, or LLP members.


1 Choose your plan term and type.

Our Relevant Life Plan provides the sum assured with cover for a fixed term and pays out on death or terminal illness. It is a great way for your employees to protect their family if they were ever diagnosed with a terminal illness or to die, as it provides a cash lump sum they can use to pay off the mortgage or other debts.

Pick a plan term

As well as being able to choose from a Guaranteed or Reviewable Premium basis, you're able to choose from:

Level
 The cover amount remains consistent throughout the duration of your plan.

Indexed'
 The cover amount rises each year in line with inflation. This ensures that your cover maintains its value in real terms.

Guaranteed Insurability Options

This lets you increase your employees' cover when certain events happen, without the need to give us information about the health of the insured person. These events could be: a change in marital status, children, mortgage, promotion or a change in job.









Important information

- Employees who are covered are able to have their plan taken over by a new employer during any time over the plan term or replace with a personal protection plan.
- Employees must be between 17 and 70, and resident in the UK.
- Minimum term of one year. Cover must end before 75th birthday.
- Minimum monthly protection premiums apply.
- High cover limits - there's no upper limit, provided the cover is justifiable - typically 25 times remuneration (dependent on age).

See the VitalityLife Relevant Life Plan provisions for full terms and conditions.



The benefits of a VitalityLife Relevant Life Plan

 Benefits for you	 Benefits for employees
 Tax efficiency A tax deductible business expense and no National Insurance contributions.	 Tax-efficiency No National Insurance contributions.
 A great employee benefit for small businesses Life cover and access to a great range of discounts and rewards.	 Access to a range of discounts and rewards To encourage your employees to look after their health.
 More affordable cover An upfront discount on the protection premium of between 5% - 40% for fixed term cover with Vitality Optimiser or Wellness Optimiser.	 Cash lump sum payment For terminal illness as well as death.
On payout, the cash lump sum is not subject to Income or Inheritance Tax.	Can be used as a top-up to death in service benefit.

2 The Vitality Programme.

Good Health is Good Business

With our Relevant Life Plan you don't have to claim to benefit. We're the only insurer to offer a Relevant Life Plan that provides employees with access to discounts and rewards that encourage our members to be healthy. Our plans help people understand their health better and help with things like stopping smoking, losing weight and getting fitter. This is not only good for the health of directors and employees but the health of the business as a whole.

When you add either our Vitality Optimiser or Wellness Optimiser to a Relevant Life Plan they provide you with the opportunity to receive an upfront discount on the premiums you pay for your employees' cover and a further annual discount if directors and employees take steps to engage with their health through the Vitality Programme.

What's the difference between our Optimisers?

Vitality Optimiser

- Offers rewards for healthy habits
- Up to 25% upfront discount
- Ability to reduce premiums every year through employee engagement⁵

Wellness Optimiser

- Offers rewards for healthy habits
- Up to 40% upfront discount
- Ability to reduce premiums every year through employee engagement and employee health check⁵
- Rewards members for understanding and improving their health

⁵ Your maximum premium reduction for both of our Optimiser's annual premium adjustments is capped at 5%.

The Vitality Programme is based on three simple steps:

1. Understand your health

When your employees join, they should register on our Member Zone at vitality.co.uk/member and take the online Health Review. We use what our members tell us to set them some goals and suggest some of our partners to help achieve them.

They're also able to find out your Vitality Age - our scientific calculation that assesses the impact of their lifestyle on their health.

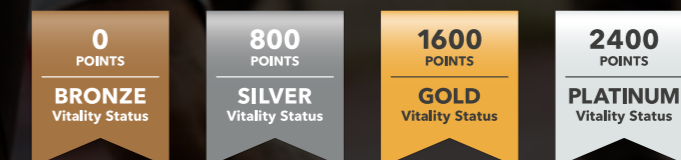
2. Get healthier

We give your employees discounts and rewards on things that can help them get healthier. We have established partnerships that offer your employees rich benefits which make accessing a healthy lifestyle easier.

From healthy foods and health screens to travel and Active Rewards, your employees can save money with lots of Vitality partners. We give your employees discounts on things that help them get healthy, like health screenings and stop smoking sessions.

3. Be rewarded

When your employees do healthy things, we give them points. These count towards their Vitality status. The more points they earn, the higher their status becomes. Everyone starts at Bronze and then they can work their way up through Silver, Gold and finally Platinum.



The Vitality Programme provided members with **over £81m of additional value** in 2018⁶

⁶ Vitality Claims and Benefits Report, June 2019

3 Trusts.

What's a Trust?

It's a legal arrangement that allows the owner(s) of an asset, for example a life insurance plan, to gift that asset without giving the intended recipient(s) total control and legal ownership of it.

What are the benefits of putting a plan into Trust?

1. When a Plan is held in a valid trust, it's not subject to Inheritance Tax (IHT) as part of the settlor's taxable estate.
2. The plan proceeds are paid directly to the Trustees, meaning faster payment of the benefits to the beneficiaries.

How can a Trust be used with a Relevant Life Plan?

In order for the business and employees to benefit from the tax benefits associated with a Relevant Life Plan, you should put it into a Discretionary Trust.

The owner of the Trust is the business and the life assured is the employee. All employees are eligible (including shareholding directors of limited companies). However, business owners such as sole traders, equity partners, or LLP members are not eligible.

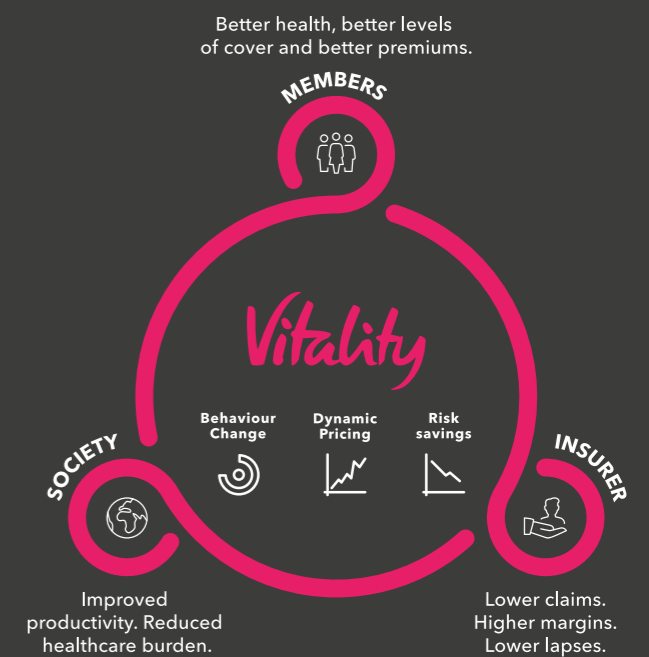




About Vitality.

By encouraging our members to be healthier, they benefit from better health, better mental wellbeing and better value cover that includes discounts and rewards. We also benefit, because the healthier you stay, the less likely you are to claim. Society benefits, too, through a healthier, happier population and a reduced healthcare burden.

It's what we call our Shared-Value Insurance Model. And it's at the heart of everything we do.



Find out more.

**Speak to your Financial Adviser or take a look
at vitality.co.uk/life.**

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VLB 0058_J4866_11/19