

# Relevant life policies. The employee benefit that cuts business costs.

The cost of providing an ordinary, employee-owned life policy doesn't stop with the premium.

The additional tax payments mean the true cost to your company and to the employee is substantially higher. With a relevant life policy, payments aren't treated as benefits so you can cut the cost of providing employee life cover by almost 50%. Compare the costs for yourself:

How a relevant life policy can cut company costs			
		Ordinary life cover	Relevant life policy
Payment		£1,000	£1,000
Company gross cost	Employee's National Insurance contribution at 2%	£34	Nil
	Income tax @ 40%	£690	Nil
	Employer's National Insurance contribution at 13.8%	£238	Nil
	Total gross cost	£1,962	£1,000
Company net cost	Corporation tax relief at 20%	£392	£200*
Net cost		£1,570	£800*

And unlike a registered group life scheme, the benefit won't form part of the employee's lifetime pension allowance either.

\*Assumes that corporation tax relief at 20% has been granted under the 'wholly and exclusively' rules. In both cases we have assumed a payment of £1,000 each year for the life cover on an employee who is paying income tax at 40% and employee's National Insurance at 2% on the top end of income. We have also assumed that the employer is paying corporation tax at the small profits rate of 20% and will pay employer's National Insurance at the contracted in rate of 13.8%.

## What next?

Talk to your financial adviser.

They'll help you identify your individual or business protection needs and guide you through the various types of cover available to make sure you get the right cover at the right price.

Or find out more at [www.brightgrey.com](http://www.brightgrey.com)

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