

# Covid-19: Guidance For Employers - Employee Financial Wellbeing

We know that this is a difficult time for everyone and especially for those running businesses who need to consider the welfare of their staff and their financial security. Here are some of the questions we have been asked by other employers. If you have a query, please do contact your usual LEBC consultant by email. We have implemented our business continuity plan and remain open to assist you.

**Q1.** For group life (death in service) schemes which provide a multiple of salary, how will the sum assured of any death claim be calculated when an employee receives less pay than their usual salary?

**A.** This depends on the wording you have in your policy.

**I.** If the policy states that the “insured salary” is the salary at the date of death, providing the employee still has a contract of employment with your company, the insurer’s temporary absence provisions will apply. These usually state that the employee remains insured for their full salary for the duration of their temporary absence, even though they are actually paid less.

**II.** If the policy states that the “insured salary” is their salary at the policy’s last anniversary date, this entitlement will also be honoured, providing the insurer’s temporary absence conditions are adhered to and the employee retains their contract of employment.

**Q2.** If we have a claim under an existing policy for death in service, or critical illness how do we make the claim?

**A.** By notifying LEBC of the claim by email to your usual contact. We recommend that during this difficult time you remind staff of the need to nominate beneficiaries, who they would wish to benefit in the event of a claim, and to update their nominations.

**Q3.** For group income protection (long term sick pay) schemes, will employees who are laid off continue to be covered?

**A.** If the employee remains contracted to the company, they will continue to be covered.

**Q4.** If a member of staff, who is laid off becomes sick, for reasons other than Coronavirus, should they still notify us of this?

**A.** Yes, income protection claims for employees who



are temporarily laid off should be reported in the usual way. Insurers may be willing to offer early intervention to provide treatment or therapies which could help the employee recover.

**Q5.** Will the employee assistance programme still be available to staff who need it?

**A.** Yes, it will remain in place. It is a very difficult time for all of us, so we encourage employers to promote the EAP service to employees on a regular basis.

**Q6.** Our flex benefit scheme is due for review shortly, how do we manage this while staff are laid off, /may not have full access to our systems?

**A.** If full access to your systems is not possible you could consider asking for paper submissions or renewing benefits on the currently selected basis.

**Q7.** Our group risks benefits are due to renew shortly, will LEBC be able to handle these?

**A.** Yes, some insurers are taking longer to process renewals due to staff shortages, but full cover will remain in place if the renewal process goes beyond the renewal date. Our staff are available as we have implemented remote working which enables us to continue to meet your needs. Please contact us by email or telephone, postal services may be disrupted and should not be relied on during this emergency. Whatever your questions, we will be pleased to offer you assistance, so do get in touch if we can help with any aspects of your pay and reward offering. Our operations have moved to remote working so please contact us by email or the mobile phone number of your usual LEBC contact.