

UCD Income Protection Plan

Member's Booklet
December 2019

Group Policy Number: V000084E





Introduction

This explanatory booklet was produced by New Ireland Assurance Company plc (New Ireland) and provides a brief outline of the main benefits of the UCD Income Protection Plan (the Plan) for employees of University College Dublin (UCD) as of December 2019. This booklet is issued subject to the provisions of the Plan's policy conditions and does not create or confer any legal rights.

While great care has been taken in its preparation, this booklet is of a general nature and should not be relied on in relation to a specific issue without taking appropriate financial, insurance, investment or other professional advice. In the event of a dispute, the terms and conditions of the Plan, as set out in the Plan's policy conditions will be used to determine the outcome.

If there is any conflict between this booklet and the Plan's policy conditions, the policy conditions will prevail.

This Plan has been devised by Willis Human Capital & Benefits Ireland Limited t/a Willis HC&B Ireland & Willis Private Wealth Management is regulated by the Central Bank of Ireland.

Willis Towers Watson House, Elm Park, Merrion Road, Dublin 4, D04 P231, Ireland
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The benefits of the Plan are underwritten by New Ireland Assurance ("the Insurer")

New Ireland Assurance is regulated by the Central Bank of Ireland.

If you have any queries regarding the plan you should contact:

Health and Benefits Division, Willis Human Capital & Benefits (Ireland) Limited,
Willis Towers Watson House, Elm Park, Merrion Road, Dublin 4, D04 P231, Ireland
Or UCDvoluntaryschemes@willistowerswatson.com

The Purpose of the Income Protection Plan

The object of the Income Protection Plan is to provide an income to members in the event of long term disability and to supplement any early retirement pension that may be payable under the UCD Pension Scheme or State benefits (if any) subject to a percentage of pre-disability income.

The Plan also provides a source of income in the event of long-term partial disability provided that normally such disability follows a period of receipt of benefit for total disability.

The Plan seeks to ensure that you will receive (from all sources) a gross income of 75% of your pre-disability salary while you remain disabled.

Eligibility

Eligibility Conditions

Each employee of the University who is under the age of 66 years, who is actively at work and in receipt of gross earnings of €17,000 or more per annum from that employment, and who is working at least 8 hours per week is eligible for membership under the Plan, provided that the employee is either:

- (i) employed on a permanent and pensionable basis; or
- (ii) employed on a contract of indefinite duration; or
- (iii) employed on a fixed term contract for 9 months or longer, which commences before 1 January 2020; or
- (iv) employed on a fixed term contract for 6 months or longer, which commences on or after 1 January 2020

Am I automatically covered for benefits under the Plan?

Under the terms of their Contract of Employment the following employees are automatically included for cover under the Plan if they meet the eligibility conditions above:

- (i) Permanent and pensionable employees of the University appointed since 1st September 2001 (on completion of a member application form)
- (ii) All eligible employees of the University appointed since 1st September 2015 (through auto enrolment)

Existing eligible employees of UCD who are not current members of the Plan and who wish to be included, are reminded that they need to apply to join the plan.

Members can “opt out” of the Plan at any stage. However should a member wish to rejoin they will be required to complete a medical application form.

You can apply to join the Plan at any time by completing the Application Form available from www.ucd.ie/hr/a-z/incomeprotection and return to:

UCD HR Operations
Human Resources
Roebuck Offices
University College Dublin
Belfield
Dublin 4

Cover for new members will commence on receipt of a written acceptance letter from New Ireland confirming that they have been included as a member of the Plan, subject to evidence of health and age in some cases.

Your cover will automatically end:

- on you reaching the Plan's Benefit Cessation Age (applicable to you),
- if you fail to pay your premiums to the Plan,
- if you leave the employment of UCD,
- your death,

whichever first occurs.

Are all applications accepted?

All new employees of UCD who meet the defined eligibility conditions and apply to join the Plan at their first opportunity will automatically be covered for their benefit level up to the Plan's "non-medical limit" based on a salary of €200,000 (maximum benefit equivalent to €150,000 i.e. 75% of €200,000). All other employees (late new entrants and those whose benefits exceed the "non-medical limit") will be subject to full underwriting. The maximum benefit payable for those members whose salary exceeds €200,000 and who have been underwritten as a result is €200,000.

A small percentage of these applications may be subject to exclusions, or perhaps refused. This means that New Ireland believe they cannot, due to specific medical conditions and/ or illnesses/injuries, offer you the cover sought or they may exclude certain medical conditions or restrict the level of your cover. If such situation would arise, you will receive a letter confirming that you have been included in the Plan on restricted terms or that you have been refused. New Ireland makes such decisions only after careful consideration of the information supplied by you on your application form together with any details they have received from your doctor. Your doctor can write to New Ireland's Chief Medical Officer requesting the reason for their decision.

The exclusions under the Plan which apply to all employees are those disabilities arising directly or indirectly due to:

- (i) war (whether declared or not), civil war, riot, insurrection or civil commotion
- (ii) wilfully self-inflicted injury or illness

Cost of Plan Membership

How much does it cost?

The premium rate is negotiated on a special “group basis” for employees of UCD.

Your contribution depends on whether you pay full PRSI (Class A1) or the reduced rate of PRSI (Class D1). The reason for this distinction is that Class A1 PRSI contributors have entitlement to Social Welfare disability/disablement benefits, which are taken into account in the benefit payable by the Insurer.

Class D1 PRSI contributors do not qualify for Social Welfare disability/disablement benefits, so there is no offset from the Income Protection benefit payable.

New Rates effective from 1/12/2017	
PRSI Class A1	0.57% of salary
PRSI Class D1	0.73% of salary

These rates are inclusive of the 1% insurance levy, which was introduced by the Government on Life Assurance products in August 2009.

This rate is guaranteed for 3 years, from 1st December 2017 and is applicable to all Plan members. The rate will be reviewed by New Ireland on 1st December 2020 based on membership profile, membership take up and claims experience.

Do I get Tax Relief on the Premiums Paid?

Yes. You can claim income tax relief on Income Protection premiums.

You are eligible for tax relief at your marginal rate of tax on your monthly premiums to the Plan.

Where the premiums are deducted directly from your pay, a “Net Pay” arrangement applies, just as it applies to your pension premiums. This means that income tax relief is given automatically at source and there is no need for you to contact your local Inspector of Taxes to put arrangements in place.

Do I pay tax on the Benefit when it is paid?

Yes. Benefits are treated as earned income for tax purposes and, as such, will be taxed under the PAYE/PRSI/USC system in the normal way.

Plan Benefits

The Plan seeks to ensure that you will receive (from all sources) a gross income of up to 75% of your pre-disability salary in the event you are unable to work due to disability arising from illness or injury as described in the Plan's policy conditions.

What is the definition of Disablement

(a) Total Disablement

The inability of the member to carry out the duties of his/her normal occupation because of illness or injury and is not engaging in any other occupation or activity on a part-time or full-time basis for payment, profit or reward. Disabled has a corresponding meaning.

(b) Partial disablement

The inability of the member to carry out his/her normal occupation on a full-time basis.

When will the benefit be paid?

In response to the changes to public sector sick pay arrangements a decision was made that the Income Protection Plan will now make provision to offset the reduction in the new sick pay arrangement, for non-critical illness, as follows:

- Benefits will be paid after a minimum period of 2 weeks continuous absence has been exhausted. If a claim is eligible after this period, the benefit payable will be backdated.
- Illness can be "critical" or "non critical" as defined under the new public sick pay arrangements.

Deferred Period

A Deferred Period is a period of time which must elapse after the Date of Disability or Incapacity before a Disability Benefit can commence.

The Income Benefit payable under the Plan will be as follows:

For Employees deemed as “Non-Critically ill”

- 25% of Salary payable after a Deferred Period of 13 weeks (66 working days) in any period of 12 months, increasing to
- 75% of Salary payable after a Deferred Period of 26 weeks (a further 65 working days) of absence (to a maximum of 131 working days in any 4 year rolling period) reduced by:
 - (i) any Sick pay entitlement and,
 - (ii) any Ill-Health Early Retirement Pension and,
 - (iii) any Social Welfare Disability Benefit/Invalidity Pension at a single person’s rate, if you are eligible for it and,
 - (iv) any Temporary Rehabilitation Remuneration (TRR), if you are eligible for it and,
 - (v) any other income and allowance receivable by you

For Employees deemed as “Critically ill

- 25% of Salary payable after a Deferred Period of 26 weeks (131 working days) in any period of 12 months, increasing to
- 75% of Salary payable after a Deferred Period of 52 weeks (a further 130 working days) of absence (to a maximum of 261) in any rolling period of 4 years reduced by:
 - (i) any Sick pay entitlement and,
 - (ii) any Ill-Health Early Retirement Pension and,
 - (iii) any Social Welfare Disability Benefit/Invalidity Pension at a single person’s rate, if you are eligible for it and,
 - (iv) any Temporary Rehabilitation Remuneration (TRR), if you are eligible for it and,
 - (v) any other income and allowance receivable by you.

Under the policy conditions critically ill means where a member is in the opinion of UCD and New Ireland's Chief Medical Officer seriously injured or critically ill and disability benefit is awarded subject to an extended deferred period.

Assessment of a Claim

New Ireland, advised by its Chief Medical Officer, will decide whether or not you are entitled to benefits under the Plan based on assessment of all medical information. To qualify for benefits under the Plan, New Ireland must be satisfied that you are totally unable to carry out your duties under your normal occupation because of illness or injury and that you are not engaged in any other occupation.

You will receive your Income Benefit while you continue to be disabled and unable to work due to illness or injury. However medical examination may be required at any time at New Ireland's expense and your claim will be subject to standard review.

Maximum Income Protection Benefit

The maximum Income Protection Benefit is currently €150,000 per annum. The maximum Income Protection Benefit for those members with a salary greater than €200,000 and who have been underwritten is €200,000.

Temporary Rehabilitation Remuneration

Temporary Rehabilitation Remuneration (TRR) will be deducted according to each member's entitlement should they be eligible. If there is a delay in determining a member's TRR entitlement, we will continue to pay the 25% of salary benefit until such time as the TRR has been confirmed.



For how long will my Income Protection Benefit be payable?

The Income Benefit will continue to be paid to you until the earlier of:

1. You are no longer deemed disabled by New Ireland's Chief Medical Officer,
2. You return to active employment with no loss of earnings,
3. You re-engage in your normal occupation or engage in some other occupation for profit or reward without the prior written consent of the Insurer,
4. Your death,
5. You reach the Plan's Benefit Cessation Age applicable to you,
6. You resign.

Does the Income Benefit Increase?

After Income Benefit has been paid for 52 weeks, the income payable under the Plan will increase by the lesser of:

- (i) 5% per annum compound, or
- (ii) the average increase in the Consumer Price Index over the previous 12 months.

This will be a safeguard against the effects of inflation.

The increase will be paid on the anniversary of the commencement of the latest period of payment of Income Benefit.



How do I make a claim?

You should contact UCD HR Operations approximately 8 weeks in advance of the expiry of the deferred period. They will provide you with a Claim Form and inform New Ireland that you may be making a claim. The earlier the forms are submitted the earlier the claim can be assessed. However you should be aware that the assessment process will take at least 8 weeks and will depend on the nature of the underlying illness.

Upon receipt of your completed claim form New Ireland will process your claim. Typically this will include seeking reports from your General Practitioner and any specialist you may have been attending. All evidence reasonably required by New Ireland must be provided. A benefit will only be paid to you if your claim is admitted by New Ireland.

New Ireland reserves the right not to pay a claim:

- if you are required to do so and you fail to disclose your full medical history, and/or
- if in the opinion of New Ireland's Chief Medical Officer you are not disabled as defined under the Plan (This is independent of whether you have been retired on grounds of ill health by your employer).

If you fail to provide medical evidence, test results, or information to New Ireland's satisfaction and within the timescale that New Ireland consider to be reasonable, or if you fail to follow the advice of your own or any other registered medical practitioner, all income benefits payable or being paid under the Plan will cease.

For further details on making a claim, please contact UCD HR Operations.

General Conditions

What is the Plan's Benefit Cessation Age?

The Plan's Benefit Cessation Age is the maximum age to which the Plan will provide cover and pay benefits to. It varies as follows:

1. For employees accepted for cover under and who joined the Plan prior to 1 October 2019, the Benefit Cessation Age is the employee's 65th birthday.
2. For employees accepted for cover under and who joined the Plan on or after 1 October 2019, the Benefit Cessation Age is the employee's 66th birthday.
3. For Single Scheme Members*, the Benefit Cessation Age is the employee's State Pension Age.

*Single Scheme Members are defined as "All new entrants to pensionable public service employment who started on or after 01 January 2013"

What if I travel abroad?

You are covered while travelling or living anywhere in the world as long as you remain an eligible member.

However if you are receiving a benefit under the Plan and intend to travel or live outside the approved territories (European Union, Australia, Canada, Liechtenstein, New Zealand, Norway, Switzerland and the United States of America) for more than 13 weeks you should notify New Ireland.

New Ireland reserves the right to restrict your benefit to a maximum of 13 weeks in any one year (subject to an overall limit of 39 weeks in total) if you travel or reside outside the Approved Territories.

New Ireland reserves the right to request a claimant to return to Ireland to complete an Independent Medical Examination at any time while the claim is in payment in order to validate the claim. If required, this will be at the expense of the claimant.

What if I have a second job?

In the event that you have a second job at the time of joining the Plan or take on a second job after joining the Plan, you must notify New Ireland in writing as this may be taken into account in calculating any benefit paid should you make a claim under the Plan. The cover provided by the Plan does not extend to your second job and, where New Ireland believes that your second job involves a greater degree of risk than that involved in your normal job, New Ireland reserves the right to refuse cover or withdraw cover in respect of your normal job.

If you would like disability cover on your second job you should contact Willis Towers Watson about the possibility of insuring yourself against disability through an individual policy.

What if I have unearned income?

Investment and rental income will not be taken into account when making a claim under the Plan.

If I become a claimant, do I still pay premiums?

No. Once the Deferred Period is completed and you are receiving benefits, no premiums are payable until the payment of benefit ceases.

What if I take a career break?

Members of the Plan who take a career break of up to 26 weeks can remain covered by the Plan for the period of the career break.

Members of the Plan who take a career break for 26 weeks or longer are not covered under the Plan while on career break but will re-join the plan automatically on return to work and deductions will recommence immediately, provided that the period of career break is less than one year.

Members who take a career break greater than one year are not automatically returned to the scheme. Such individuals will be classified as new entrants that do not satisfy the automatic cover conditions and, as such, will be required to complete an application form to rejoin. Additional medical evidence may be required by the Insurer.

What if I take Leave of Absence for Research?

Whilst on Leave of Absence for Research, receiving a proportion of your salary through the UCD payroll, deductions will be taken on full salary in respect of Income Protection, therefore cover is maintained.

If on Leave of Absence for Research on nil salary, you should contact Willis Towers Watson directly for details of your options but they will be similar to those available to members taking a career break.

What if I take unpaid Parental, Maternity, Adoptive, Carer's Leave?

If you avail of your statutory entitlement to take unpaid Parental Leave, Maternity Leave, Adoptive Leave, Carer's Leave, no premiums are collected in respect of these periods as you are unpaid. Nonetheless your cover will continue unaffected while you are on leave and no repayment of the "skipped" premiums will be sought.

However, this is subject to the period of leave being no longer than 26 weeks in total in any 12 month period. If a period of unpaid statutory leave extends beyond 26 weeks, you should contact Willis Towers Watson directly for details of options. These will be similar to those available to members who take a career break of greater than 26 weeks.

What if I take any other period of unpaid leave i.e. shorter working year leave?

The Shorter Working year scheme limits unpaid leave for a period up to 13 weeks. Premiums in respect of this period will be waived while cover is maintained and deductions will automatically commence on return to the payroll.

If on taking leave under the Shorter Working Year scheme, you have opted to have your salary spread over the calendar year, deductions in respect of Income Protection Plan are taken on reduced salary but cover based on your full salary is maintained. This applies for a maximum period of 2 years. If you work on a reduced salary for a period of longer than 2 years under the Shorter Working Year scheme, disability benefits will be paid based on the reduced salary.

What about awards for compensation?

If you receive an award for compensation, only amounts relating to loss of earnings will be taken into account when calculating how much benefit should be paid under the Plan.

What if I am entitled to a once off lump sum payment under a separate Critical Illness policy?

Benefit payments under a separate Critical Illness Policy may be made in addition to any benefits that are payable under the Plan and are not taken into account when calculating how much benefit should be paid under the Plan.

What if my salary increases?

One of the great advantages of the Plan is that it allows for your cover to be increased in line with your salary. This means that the cover you enjoy under the Plan remains realistic over the years ahead. The automatic updating of your contributions and cover avoids the necessity to complete a new application form and you will not be subject to full underwriting.

Salary increases do not apply to members who are currently out on sick leave or on a disability claim. These members must return to work in order for the increased salary to be applicable.

What if I already have some form of salary protection?

If you already have a salary protection or permanent health insurance policy you should bear in mind that the cover provided by such a policy may 'overlap' with that provided by the Plan, i.e. it will be taken into account when calculating how much benefit should be paid under the Plan to ensure you receive no greater than 75% of pre-disability salary in aggregate.

You cannot receive double benefit in respect of the same loss of income. You should seek professional financial advice if you are covered elsewhere.

What if I return to work in a full time capacity following a period of claim having worked part time prior to claim?

In this circumstance, employees must return to work for a period of at least 3 continuous months before any future claim payable is based on full time working hours.

What if I never claim under the Plan?

As with health or car insurance, your premiums go to meet the cost of your cover. This keeps the cost of cover to the minimum and means that there is no cash value paid out to those who never make a claim under the Plan.

What if I want to cease to be a member of the Plan?

Membership of the Plan may be cancelled at any time by notifying UCD and Willis Towers Watson in writing or stopping your deduction at source. As your premiums are designed to cover the cost of paying benefit to those employees of the Plan who become disabled, there is no cash value paid to you should you stop premiums to the Plan.

It is important that you think carefully before cancelling your membership of the Plan as once you have left the Plan you will be required to provide information about your state of health should you apply for cover again. Should any medical problems have arisen in the interim, it is unlikely that you will be re-admitted to the Plan and if you are, you may have certain illnesses excluded.

What happens if my claim is rejected?

Should a member of the Plan wish to appeal a claims decision, they may make a Direct Appeal to New Ireland. In the event that a Direct Appeal is not successful and the claimant is not satisfied with the outcome, an appeal may be submitted to the Financial Services and Pensions Ombudsman.

1. Direct Appeal

This involves individual claimants making an appeal in which they should include any evidence (medical or otherwise) to support their claim. Any such evidence should be submitted to New Ireland for consideration as soon as possible. New Ireland may require medical evidence such as an Independent medical examination, the cost of which would normally be covered by New Ireland. If the evidence supports the validity of the claim, the claim will be paid.

2. Appeal to the Financial Services and Pensions Ombudsman (service is free of charge)

In the event that a Direct Appeal is not successful and the claimant is dissatisfied with the outcome, an appeal may be submitted to the Financial Services and Pensions Ombudsman. This process involves obtaining from New Ireland a "final response letter" and submitting this letter to the Financial Services and Pensions Ombudsman with a request for a complaint form.

The Financial Services and Pensions Ombudsman is a statutory officer who deals independently with complaints from consumers about their unresolved dealings with all regulated financial services providers. Essentially, the Ombudsman acts as the arbiter of unresolved disputes and, very importantly, is impartial. This is done by engaging in dialogue with the claimant and the relevant financial service provider to try to resolve the complaint quickly and efficiently.

The Financial Services and Pensions Ombudsman
Lincoln House, Lincoln Place,
Dublin 2, D02 VH29
Phone: +353 1 567 7000
Email: info@fspo.ie

What if I have second thoughts?

If, when you receive confirmation of acceptance of risk by New Ireland, you feel that it is not suitable for your needs then you may cancel your membership of the Plan by instructing Willis Towers Watson in writing. If it is received not later than 30 days after the date of issue of the acceptance letter, any regular premiums remitted to New Ireland will be refunded in full.

Your membership of the Plan will terminate immediately on receipt of your instruction by us.

What happens if I return to work only to find that I become ill again a few months later?

If you return to work after a period claiming benefit through the Plan only to find that you fall ill again with the same or a linked illness and you have exhausted your sick leave entitlement, benefit will begin again immediately, i.e. you will not have to wait the usual deferred period before your benefit is paid. This is subject to New Ireland being satisfied that you are totally unable to carry out the duties of your normal occupation because of illness or injury and that you are not engaged in any other occupation.

What happens if I return to work but at a reduced salary or take up a different less well paid job?

If you are able to return to work in your normal job on a reduced basis only due to ill health, New Ireland will continue to pay you a proportionately reduced income, i.e. your benefit under the Plan will be reduced to take account of additional income you are now earning.

Should you be unable to follow your normal job and take up a different job at a lower rate of pay, again, New Ireland will continue to pay you a proportionately reduced income.

What happens if my contract ends while I am in receipt of benefit?

If your contract ends while you are in receipt of benefit New Ireland will continue to pay your benefit until such time as you recover, in the event of your death or you reach the Plan's Benefit Cessation Age, whichever event occurs first.

Can the Plan be reviewed?

Under the policy conditions, benefit levels and the rate of premiums under the Plan are reviewed on a regular basis. The next review of the Plan is on 1st December 2020. These reviews are designed to provide UCD with an opportunity to canvass the market to ensure that the best deal is being provided for employees.

Likewise the reviews provide New Ireland with an opportunity to adjust the benefit levels and/ or the rate of premium in the light of relevant factors such as membership level, age profile, and the claims experience of the Plan.

At such reviews, New Ireland and UCD reserve the right to increase or reduce the rate of premium and vary the benefit levels under the Plan for all employees or terminate the Plan as a whole.

In the event of termination or amendment of the Plan, those employees who are already receiving benefit payments under the Plan will continue to receive those benefit payments and any subsequent increases in those benefits due under the terms of the Plan.

Who should I contact if I require further information?

If you have any queries about the Plan or your benefits, you can contact UCD HR (HRhelpdesk@ucd.ie) in the first instance, or subsequently your authorised advisor, their contact details are as follows:

Authorised Advisor:

Willis Human Capital & Benefits (Ireland) Limited,
Employee Benefits & Investment Division,
Willis Towers Watson House,
Elm Park, Merrion Road,
Dublin 4, D04 P231, Ireland

Email: UCDvoluntaryschemes@willistowerswatson.com
www.willistowerswatson.com

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Terms and conditions apply. This booklet is of a general nature and should not be relied on in relation to a specific issue without taking appropriate professional advice. The content of this booklet is for information purposes only and does not constitute an offer or recommendation to subscribe to the income protection plan. If any conflict arises between this booklet and the policy conditions, the policy conditions will prevail.



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