

www.pgmutual.co.uk

A GUIDE TO
**Protecting
your income**
with PG Mutual

PG Mutual has designed this guide, providing an overview of the Income Protection Plan we offer, to help you decide if this type of insurance is suitable for you.

If, after reading this guide, you decide you need income protection insurance, please ask for a copy of our Application Pack or visit www.pgmutual.co.uk

Who are we?

PG Mutual is a not-for-profit membership organisation specialising in providing income protection for professionals since 1928. As a Friendly Society, we don't have outside shareholders, and therefore return any profit to our Members.

What do we offer?

PG Mutual offers an Income Protection Plan which will pay you a regular income if you can't work due to illness or injury. The plan also includes an investment element which pays out at maturity of your policy.

Key features:

- ➔ **Protection that can start from the first day you are incapacitated and lasts until you recover or your policy retirement age, whichever comes sooner**
- ➔ **No penalty for making a claim and no restrictions on the number of claims you can make**
- ➔ **We pay a claim until you can return to your professional career, subject to the definition of occupation on your policy certificate**
- ➔ **You can review your cover at any time, and apply to increase it, up to the age of 60**
- ➔ **If you want to take a career break, you can suspend cover for up to two years and then resume at the original level of cover without medical underwriting**
- ➔ **Members can leave at any time by giving one month's notice in writing**
- ➔ **Provided that you are paying your Subscriptions from taxed income, the Benefit we pay, both for Incapacity and your Individual Capital Account, are normally free of Income and/or Capital Gains Tax, subject to your individual circumstances.**

Why do I need to protect my income?

Most of us depend on the ability to earn a regular income to maintain our lifestyle. Even short-term illness can have serious financial consequences if you have not made provision for when illness or accident stops you from working and could mean you may face:

- ➔ **Not having enough money to pay your rent or mortgage**
- ➔ **Not having enough money to meet your existing bills**
- ➔ **Not having enough money to maintain your lifestyle.**

“Around 300,000 UK workers fall into the welfare system because of health-related issues each year, with those on long-term sick leave missing out on £4 billion a year in lost earnings.”

**www.gov.uk,
February 2014.**



What level of cover do I need?

You can tailor your cover to suit your personal circumstances. Consideration must be given to the following:

- ➔ **The amount of income you need to receive each week (up to 70% of your gross earnings or £1200 a week, whichever is lower)**
- ➔ **When you want the payments to start: choose cover from the first day of incapacity or a range of deferment periods: 7 or 14 days, 1, 3, 6 or 12 months**
- ➔ **The amount of long-term benefit you receive.**

Premium Cover

The level of Income Benefit you would receive will remain at 100% throughout the term of your claim.

Year 1	Year 2	Year 3	Year 4	...to recovery or policy retirement age, whichever comes sooner
£1200 per week throughout the duration of the claim				

Standard Cover

This pays out at 100% for the first two years of a claim, reduces to 50% in year three, and then 30% for as long as you remain incapacitated.

The two-year period starts afresh with every new claim, subject to PG Mutual's terms and conditions.

Year 1	Year 2	Year 3	Year 4	...to recovery or policy retirement age, whichever comes sooner
£1200 per week	£600 per week	£360 per week throughout the duration of your claim		

Shares and Units

All Members are allocated shares, which provide a measure of Income Benefit and a share in any profit made by PG Mutual. Units only provide Income Benefit and have no effect on your investment.

We hope that you find this guide to PG Mutual's Income Protection Plan useful. If you would like to know more, please contact us or visit our website:

 visit www.pgmutual.co.uk

 call **0800 146 307**

 email info@pgmutual.co.uk

What our members think

I find the cover from PG Mutual invaluable. I had a small claim for an injury which was dealt with swiftly and efficiently. The support and service was excellent.

James Butler
PG Mutual Member since 2012

As a self-employed Optometrist, I took out Income Protection with PG Mutual for peace of mind, but never really expected I would need it. Unfortunately, I was diagnosed with a serious illness, resulting in almost a year off work. The claims procedure was straight forward and efficient and the staff at PG Mutual friendly and helpful. I would not hesitate to recommend this company and their Income Protection policy.

Miss Draper
PG Mutual member since 2011

I find PG Mutual's service excellent and responsive to my needs. I am so glad PG Mutual exists and will continue to recommend you.

Rizwan Alibhai
PG Mutual Member since 1993

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