

## REGISTERED GROUP LIFE SCHEMES AND THE LIFETIME ALLOWANCE

ARE YOU ADEQUATELY PROTECTED FROM COSTLY CHARGES?

With the advent of Auto Enrolment employers have been rightly focused on pension issues. However, one aspect that has received less attention is the issue of the combined value of pension schemes and Group Life benefits.



### THE CHALLENGE

Most **Group Life schemes** are written as **Registered Schemes** which mean they benefit from a number of tax advantages. However, as a result of being written this way Registered Group Life benefits count towards the **Lifetime Allowance** in the event of death.

Consequently members whose **pension benefits** are under the Lifetime Allowance may find they **exceed** the Lifetime Allowance once their Group Life benefits are **taken into consideration**.



“ The consequences of being over the Lifetime Allowance can be costly, with tax charges of 55% and with the Lifetime Allowance due to reduce to £1m in April 2016, more people are going to be affected. ”

**KIM DENHAM**  
DIRECTOR OF OPERATIONS RISK & HEALTHCARE

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## SO WHAT CAN BE DONE?



Excepted Group Life policies have been in existence since **April 2006** and benefits from these policies do not count towards the Lifetime Allowance. There are a **number of conditions** that need to be fulfilled in order to qualify but if these are satisfied then an Excepted policy has many of the **same advantages** as a Registered scheme.

It is important to note that there are some **potential exit and periodic charges** that need to be considered and it is important to obtain **tax and legal advice** before any changes are made but Excepted policies remain an effective way of writing Group Life benefits for some clients.

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## HOW BROADSTONE CAN HELP



We understand that **different organisations** have different needs and have already **helped many employers** adopt Excepted policies as a way to write their Group Life cover.

If you would like to **discuss your Group Life Cover** and the options available to you our team would be more than happy to help. For more details please **contact your usual Broadstone contact** or alternatively **Kim Denham**.

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## CONTACT US TODAY

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