

Product Guide Document Income Protection Plus Plan

PG Mutual wishes to support you in achieving your Financial Objectives. We can do this by providing to you this document as part of the important information you should understand before deciding to take out this insurance Plan. If there is anything at all you are unsure about then please contact us and a member of our team will provide any clarification needed.

This document is important and if you do take out the Plan you should retain it for future reference.

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Terms and Conditions

Introduction

This product guide sets out important information about our **Income Protection Plus Plan**. You should read this document carefully so that you understand what you are buying, decide whether it is right for you and then keep it safe for future reference. The full terms and conditions for the Plan are available on our website at <https://www.pgmual.co.uk/policy-documents>.

Have a question?

We're here: **Monday - Friday 9.00am to 5.00pm** Tel: **0800 146 307** email: enquiries@pgmual.co.uk

You need to understand the following facts about the Income Protection Plus Plan

ITS AIMS

- To pay you a regular benefit to replace a loss of earnings if you are unable to work due to illness or injury.
- To offer you a choice of how soon benefit can commence to allow for any period you expect your earnings to continue.
- To provide cover for the duration of the Plan no matter how many claims you make.
- To provide you with a tax-free cash sum at the Plan end date.
- To offer a Plan that is flexible and may be changed in the future according to circumstances.

RISK FACTORS

- If you stop paying your premiums you will no longer be covered. We have the right to use your accumulated tax-free cash sum to pay premiums unless you tell us not to.
- If your earnings have changed then you may be under or over insured.
- Income protection is currently a tax-free benefit. However, taxation may change in future.
- Cancelling your Plan before the Plan end date will incur a penalty if you cancel before age 60. This penalty is the total of the last two profit share awards and interest added to your tax-free cash lump sum. If you cancel in the first two years the penalty is all of the cash lump sum.
- It is important to provide complete and accurate answers to all the questions we ask you. If you do not provide complete and accurate answers there is a risk that a future claim may be invalid and benefit not paid.
- Any benefit we pay to you under this Plan may affect your right to claim State social and welfare benefits.
- If you move abroad from the UK we will not be able to continue with your cover.
- The payment of a tax-free lump sum is not guaranteed. It depends upon the performance of investment markets and the profitability of our income protection business. Past performance is not a guide to future performance.

YOUR COMMITMENT

- You agree to pay a regular monthly premium by Direct Debit throughout the term of the Plan to the end date.
- To give us all the information we ask for when applying for your Plan and when claiming any benefit. If you do not do this, we may not be able to pay your claim.
- You agree to tell us of any changes to your health, occupation or if you take up any hazardous pastimes, between completing your application form and your Plan starting.
- You must notify us of any claim you wish to make as soon as possible.
- You must notify us of any change in your personal circumstances, for example a change in earnings, employment status, or employer sick pay arrangements at any time during the lifetime of your Plan.
- You should review your level of cover against your earnings regularly to ensure it will continue to meet your needs.

Things you need to know before you apply for your Plan

What is the Income Protection Plus Plan?

This Plan pays a regular benefit when you are unable to work due to illness or injury.

The Plan also aims to pay a tax-free cash sum at your chosen Plan end date regardless of how many times you claim.

The Plan has flexible features to provide the right cover for you.

What is my tax-free cash sum?

Each year we share any profits made from our Income Protection Plus business at a rate agreed by the Board which depends upon our investment performance, administration costs and the levels of claims paid. The aim of this feature is to provide you with a tax-free sum at the end of your Plan. Under current legislation the cash sum is tax free.

Can I take out an Income Protection Plus Plan?

You can if on the start date:

- **You've resided and worked in the UK for the last 6 months**
- **You are, at the chosen start date, aged between 18-60**
- **You are working for a minimum of 16 hours per week**
- **You have a UK bank account**
- **You pay income tax in the UK**
- **You have no immediate intention to move abroad.**

Will you require medical information?

In order to provide you with cover we will ask you some questions about your lifestyle and health.

How much benefit can I have?

The maximum amount will be based on your earnings:

- The maximum benefit we pay is 70% of your earnings. The maximum benefit we pay is £5200 per month, in certain circumstances, such as certain job roles, we may be able to cover up to £6500 per month.
- If you are employed this can be evidenced by your P60, payslips, bonus statements, dividends statements and P11d.
- If you are employed, earnings is the gross income shown on your most recent tax assessment or P60.
- If you are self-employed, gross earnings are your net profit. This figure will need to be evidenced by your most recent accounts.
- If you are a company director and/or a shareholder in your own business, gross earnings are your total income taken out of the business. This can include dividends.

How long before I can claim?

Dependent on your role you can decide when you want your benefit to start. This can be 0, 1, 2, 4, 13, 26 or 52 weeks after you stop being able to work due to illness or injury. This waiting period is known as "the deferred period".

You should link your deferred period to when your income reduces in line with your employer's sick pay scheme.

The term of the Plan

Your Income Protection Plus plan will normally run until your 65th birthday, but occasionally our underwriters will make an offer of membership conditional upon you agreeing to an earlier end date.

Will my premium change?

We do review premiums annually. They usually increase and you will be informed when this occurs.

Can I increase my cover?

Yes. The Plan is flexible, and you can apply to increase your benefit at any time subject to there being at least 5 years of the Plan term remaining. The increase may be subject to an assessment of your health and earnings at the time the increase is applied for. Your premium payments will increase when your benefit increases.

Once your Plan has started?

What if my circumstances change?

The Plan is flexible and can be adapted to your changing circumstances. You can apply to increase or reduce premiums and benefit levels or change the Deferred Period. Reductions in Deferred Periods and increases in benefits will be subject to a further assessment of your health. To ensure you maintain the correct benefit levels and entitlement, you need to inform us of any changes to your circumstances such as:

- Increase or decrease in earnings
- Change in your job role
- Any changes to employer sick pay arrangements
- Unemployment
- Address and contact details.

What if I stop paying my premiums?

Premiums need to be paid to maintain your cover, entitlement to claim and entitlement to the annual allocation of profits into your tax-free cash sum. The cash sum held under your Plan can be used to continue to fund your cover if you cannot pay the monthly premium from your bank account. Once the cash sum is fully used, the cover will end.

If you owe more than four months premiums, you cease to be a Member of the Society and your Plan is cancelled.

You must claim your tax-free cash sum as soon as possible after your policy ends, to avoid the cash sum being reduced to fund premiums. We will write to you upon termination to confirm how you can claim this.

What if I move abroad?

If you decide to permanently move abroad your cover will cease and the normal penalty will be incurred if this is before age 60yrs. There is an option to place your cover on hold for a period of up to 1 year if your relocation is temporary and you would like your cover to continue upon your return.

What if I cancel my Plan?

If you wish to cancel your Plan, the value of your tax-free cash sum will be due to you. If you are aged 60 or older, you will receive your cash sum with a loyalty bonus if one is available at that time. If you end your policy before you are 60, then your cash sum will be subject to a penalty of equal to the value of the last two dividend awards and interest to your profit share account. If you have been a member for less than two years as of the end date, you will not be entitled to any return.

What happens if I die?

If you die before the Plan end date, the balance of your profit share account plus any bonuses that may be available at that time, will be paid to your estate. If you nominate a beneficiary, they will be eligible to receive a payment of up to £5000 from your profit share account before probate is obtained.

Making a claim

How to claim

If you have registered for the Member Area, you can use your Member Area to complete a claim form online. This is the quickest and easiest way for you to claim.

If you have not registered for the Member Area, it's a quick process. You will just need your customer number.

Alternatively, if you would like to be sent a claim form for you to complete, please email us at info@pgmutual.co.uk or call us on **01727 840095** and we will be happy to send you a form.

You are entitled to receive the claim benefit at the end of your chosen Deferred Period if you are unable to work because of illness or injury. You need to ensure that your premiums are up to date. Please ensure you return your complete claim form and supporting documents within 28 days of the end of your Deferred Period. If you do not complete and submit your claim within 28 days of the end of your deferred period we may decline your claim.

What does injury or illness mean?

Our normal definition of injury or illness is 'your total inability to perform all of the essential duties of your occupation or occupations, and that you are not following any other occupation for profit or reward'. You will be informed if a different definition of incapacity will apply to your policy. We also sometimes refer to this as 'incapacity'.

How we assess your claim?

We will look at the duties of your occupation and your continued ability to do them. If you are unable to do these duties and suffer a loss of income, we will consider your claim.

We will require evidence that you are under medical care from a doctor and that you are following recommended treatments and investigations.

What income will my claim be based on?

The benefit we will pay you will be based on your pre-incapacity earnings, and we will need supporting evidence:

- If you are employed, we will need to see payslips and/or P60
- If you are self-employed, we will need to see an HMRC tax assessment and/or a copy of your most recent accounts
- If you are a director of a limited company, we will need most recent accounts.

How long will the claim be paid?

Your benefit will be paid until the first of the following situations occurs:

- You recover and are able to return to work
- You no longer suffer a loss of earnings
- The Plan reaches the end of the term
- If you die.

When will the claim be paid?

Claims are normally paid on a monthly basis, with short duration claim payment runs normally being made a weekly basis.

When will a claim not be paid?

We will not pay benefit:

- During the Deferred Period
- If there is a pre-existing condition which was not disclosed to us prior to the Plan starting or when you made a subsequent amendment to your plan
- If the premiums are not paid up to date
- If you continue to receive your occupational income in full
- If there is an exclusion that applies to the cause of your illness or injury.

What might reduce my claim benefit?

Your benefit will be reduced if your benefit would be more than 70% of your gross earnings.

What if I travel overseas?

We'll pay any valid claim while you are living in the UK. However, if you travel or reside outside the UK, your claim will only be eligible upon your return to the UK.

Claiming again after returning to work

There is no limit to the number of claims you can make. If you need to claim again for the same condition, it may be deemed as a continuation of your previous claim if (a) your first claim was for less than six months and you need to claim again within three months, or (b) your first claim was for more than six months, and you need to claim again within nine months.

Other Information

Cancellation rights

After your application has been accepted you will receive a notice of your right to cancel. You will have 30 days in which you can change your mind about taking out this Plan.

Treating Customers Fairly

We are committed to supporting the Financial Conduct Authority's Treating Customers Fairly initiative. PG Mutual's philosophy is to always put its members first and to improve our own processes wherever possible.

Data protection statement

Pharmaceutical and General Provident Society Limited (PG Mutual) is the 'Data Controller' for information collected and stored about you for the purposes of Data Protection Legislation.

In order to provide a quote, set up and service a plan we need personal information, including sensitive medical and lifestyle information about you.

We will keep your information safe for as long as we need it and use it for the purposes detailed in our Privacy Policy in accordance with Data protection law and summarised above.

We will not sell your information to another company or use it to market the products or services of other companies to you. We do share information with third parties for various reasons, including to ensure we supply a good service to our members and offer them support services if they make a claim. You can see full details in our Privacy Policy:

<https://www.pgmual.co.uk/privacy-policy>.

You have legal rights concerning how we handle your personal information, including rights to access, correct or delete your personal information, have it sent to another organization, restrict, or object to its processing or complain to the UK regulator the Information Commissioner's Office (ICO). Where we make a decision using our computer systems e.g., that we can't offer someone a Plan, there is a right to ask that one of our team reviews that decision. You can find more information about these rights in our Privacy Policy.

If you have any queries or concerns about how we handle your information, or want to exercise your rights, please contact us at the contact points detailed in our Privacy Policy, or email info@pgmual.co.uk. You can see full details in our Privacy Policy:

<https://www.pgmual.co.uk/privacy-policy>.

Investment of funds

Our current practice is to invest funds in:

- Deposit Accounts
- Fixed Interest
- Equities
- Multi Asset Funds.

Tax

The Plan currently has a tax-free status. However, we reserve the right to change this if tax legislation changes in the future.

Law

In legal disputes, the Law of England and Wales will apply.

Charges

The premium payment shown in your illustration includes the costs of administration, underwriting, claims and commission and any fees incurred in obtaining further medical information.

Complaints

If you have cause to complain about the service you have received from us, please contact our Head of Member Services.

Should your complaint not be resolved or dealt with to your satisfaction you can complain to:

The Financial Ombudsman Services

Exchange Tower

London

E14 9SR

Tel: **0800 023 4567**

www.financial-ombudsman.org.uk

Making a complaint will not affect your legal rights.

The Financial Services Compensation Scheme

Pharmaceutical and General Provident Society Limited is Covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the Scheme if we cannot meet our obligations under this policy. This depends on the type of business and the circumstances of the claim. The scheme may cover you for 100% of any successful claim you make. Further information about the compensation scheme is available from:

The Financial Services Compensation Scheme

PO Box 300

Mitcheldean

GL17 1DY

Tel: **0800 678 1100**

www.fscs.org.uk

Terms and Conditions

Full terms, conditions and rules are available upon request.

Your personal illustration is supplied in the prescribed format as laid down by the Financial Conduct Authority. The amount of tax-free cash sum on the illustration is an example and will depend on the Society's investment performance, its administration costs and the level of claims made by the Members.

Contact us:

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We're here:

Monday - Friday 9.00am to 5.00pm

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PG Mutual is the trading name of Pharmaceutical and General Provident Society Ltd. Registered office: 11 Parkway, Porters Wood, St Albans, Hertfordshire AL3 6PA. Incorporated in the United Kingdom under the Friendly Societies Act 1992, Registered Number 462F. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, Firm Reference Number 110023.