

# Proportionate benefit

When a claim has been agreed, the deferred period has ended and the employee has started a graded return to work plan, we will pay a proportionate benefit to them based on their working hours.

## How do we calculate proportionate benefits?

To calculate the level of proportionate benefit, we look at the employee's salary on the first day of their incapacity. We then apply the retail price index to re-value the salary and look at how many days or hours they are working. This allows us to calculate the percentage of proportionate benefit which should be paid.

Holidays may still be taken by the employee and we will still pay proportionate benefits for these days, as long as they do not extend beyond the graded return to work plan. We will also consider bank holidays as working days.

Each policy is different, so the amount of proportionate benefit we will pay, will be a reflection of the percentage of cover we have arranged with you. This can be anything up to 80% of original salary.

The following example and tables show the effect on the payment we would make, based on the agreed percentage.

### Example

The employee's salary at the date of first incapacity is £50,000.

The retail price index in this case is 2%, so when applied to the employee's returning salary, the new re-valued salary is £51,000.

If the agreed percentage of cover provided is 50% and the employee is working 2 days a week, they would receive 40% of their salary from their employer and we would pay 50% of the remaining 60%.

**This would mean they would receive a benefit payment of £15,300 from us on top of the salary from their employer.**



