

Income Protection Plan Payback Option

Providing you with additional security

Liberty Corporate is pleased to announce an enhancement to our Income Protection Plan (IPP) benefits in the form of the IPP Payback option.

How does this benefit work?

The IPP Payback option can be selected along with any IPP cover option. The Payback option pays a lump sum to the employer on the admission of a valid disability claim. The lump sum is calculated as the total of any payments that would have been made to the member during the waiting period.

Note that the Payback benefit will operate as an unapproved benefit for taxation purposes.

When is this benefit effective?

The new Educator and/or IPP Payback option can be quoted with a commencement date on or after 1 January 2011.

Please note that new benefits, or new schemes with these benefits, can only be uploaded from mid-January 2011.

How is the benefit calculated?

The Payback benefit is calculated as the total monthly disability benefits payable in respect of a member, including the Contribution and Premium Waiver as well as the Health Premium Waiver, multiplied by the number of months of the selected waiting period for the applicable IPP benefit.

Note that the Payback benefit will be calculated based on both the main IPP benefit (Reducing, Level or Limited Term) and any applicable waiver benefits (Contribution and Premium Waiver and Health Premium Waiver).

How will the benefit be paid?

The Payback benefit will be paid to the employer along with the first monthly IPP and waiver benefit payment, after the applicable waiting period has expired and once a member's disability claim has been accepted as valid.

What does this benefit cost?

The cost of the Payback option will depend on the waiting period (whether 1, 3, 6 or 12 months).

Exclusions, terms and conditions

The IPP Payback option is subject to the same exclusions, terms and conditions that apply to the other Income Protection Plan benefits – please refer to the Liberty Corporate IPP and Benefit Parameters brochures, which form part of the Your Scheme in Detail booklet.

Contact us

Please contact your Corporate Specialist, Client Servicing Consultant or call our Liberty Corporate Client Support Centre on 011 408 2999 for more information. Alternatively, visit our website on www.libertycorporate.co.za.



LIBERTY

Own your life