Sick Pay Insurance: Easing the headache of short-term absence
Why should I have Sick Pay Insurance?

Sickness absence causes problems for every business. The costs are unpredictable, difficult to budget for and can be large enough to leave many companies struggling to absorb them. Plus, the task of administration typically falls to busy line managers and can lead to inconsistency, unrecorded absence and even potential legal action.

Sick Pay Insurance from Unum:

• smoothes the volatile costs of sickness absence with a set monthly premium and needn’t cost more than what you already pay out in cover for sick staff members

• offers professional claims management support, allowing you to flag non-work related claims and validate claims through independent, evidence-based expertise

• is designed to complement your business’ existing sick pay scheme, no matter what its design, and can dovetail perfectly with long-term Income Protection plans to give complete peace of mind
Every time a company is missing a valued employee through illness or injury, there are repercussions in the workplace.

The costs can add up quickly, including overtime or temp cover as well as paying out under whatever sick pay arrangements employees have in their contract.

Direct costs

- Temporary cover
- Employee’s salary
- Overtime
- Statutory Sick Pay
- Occupational Sick Pay

Indirect costs

- Interrupted workflow
- Lower productivity
- Loss of output
- Administration
- Decreased morale through inconsistent absence management

Sick Pay Insurance from Unum provides the answer. By transferring the associated risks to our experts, employers benefit from professional, independent support and consistency of approach – allowing them to get on with running their business.

Business benefits that tackle the impact of short-term absence

Short-term absence costs businesses an average of £522 per employee, per year¹.

Sick Pay Insurance helps employers manage risk through:

- Controlling costs with a set monthly budget – smoothing volatility
- Professional claims assessment and management – enabling early identification and intervention coupled with access to expert resources
- Absence management support – identifying problem areas and suggesting improvements
- Better business continuity
- Providing safe, sustainable return to work plans for employees where appropriate
- Consistency of treatment, minimising discrimination risks
- Helping to reduce the duration of sickness and the associated impact on productivity

¹ CIPD Absence Management Survey Report 2016. Page 4
**Sick Pay Insurance explained**

Sick Pay Insurance is flexible, and designed to complement existing company sick pay procedures and long-term Income Protection plans. It can also be used to supplement or replace Statutory Sick Pay** and existing Occupational Sick Pay arrangements.

Sick Pay Insurance can be tailored to suit the employer. There is a choice of deferred periods – from 1 to 4 weeks - and a variety of payment periods from 12 to 52 weeks.

Employers can choose from a range of benefit amounts to replace a percentage of an employee’s earnings, up to a maximum of £6,000 per month - depending on the scheme design and funding.

**Common Situation Today**

<table>
<thead>
<tr>
<th>OSP</th>
<th>Statutory Sick Pay** 28 weeks</th>
<th>The Income GAP</th>
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- SSP** alone leaves employees facing an income gap and financial hardship
- Line managers are struggling with the problems of sickness absence
- Impacts on productivity, colleagues and the bottom line

**Approach 1**

<table>
<thead>
<tr>
<th>OSP</th>
<th>Sick Pay Insurance</th>
<th>Group Income Protection</th>
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<tbody>
<tr>
<td>SSP</td>
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- Replaces need for OSP after 1-4 weeks
- Supplements SSP** payments

**Approach 2**

<table>
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<tr>
<th>Deferred Period</th>
<th>Sick Pay Insurance</th>
<th>Group Income Protection</th>
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<tbody>
<tr>
<td>Statutory Sick Pay** absence</td>
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- Provides the funds to top up SSP**
- Supports both employer and employee

○ Figures based on a low to medium risk organisation with a mixed male and female profile.

** Statutory sick pay starts after 4 days of sickness absence
The value unwrapped

Professional claims management
Consistent and quick claims decisions are important when managing absence. Our experts, coupled with our customer-focused processes ensure these are achieved. Early notification of the claim speeds the claims assessment process, puts payments in place and can pave the way for early intervention. The faster an illness or injury is assessed and treated, the quicker the return to work can be, cutting the costs of temps and overtime, and increasing productivity.

Unmanaged short-term absence can often lead to long-term problems. Insuring the short-term risk gives businesses the foundations to tackle long-term claims.

Absence management support
Unum’s online system offers access to absence management support, enabling employers to build up a picture of absence within the workplace.

Vocational Rehabilitation Consultants
Expert Vocational Rehabilitation Consultants (VRCs) support both employer and employee every step of the way. Wherever appropriate, our VRCs will provide practical and collaborative return to work plans, capability tests and advice on alterations in the workplace – assisting with Duty of Care needs.

With Sick Pay Insurance, employers can:

- track absence
- discover the main causes behind staff absence, helping spot issues and trends and enabling proactive interventions
- flag non-work related causes of claims
- identify people persistently having time off
- validate claims - independent, evidence-based expertise provides checks against the fit note culture
Employer Assistance Programme (EAP)

Sick Pay Insurance also comes with a built-in Employer Assistance Programme (EAP) at no extra cost.

- Access to absence management support including HR & manager helpline
- Giving you legal expertise on the phone and online, saving you £££’s
- Online and telephone support for your managers, saving their time and increasing their absence management knowledge
- Employee Assistance Programme - everyday support for work/life issues including support guides and CDs

EAP offers employers access to absence management support and gives businesses the tools to manage sickness - ensuring people return to the workplace as soon as possible, and reducing both cost and administration.

It also provides businesses with free access to legal expertise on the minefield of employment law and the opportunity to download a range of legal documents, saving money and time.

For employees and their families, EAP offers practical, confidential information and support on a number of lifestyle issues, including stress, relationships, family life, work and money.
Sick Pay Insurance at a glance

Predictable costs
Short-term absence can be unpredictable, volatile and hard to manage on a month-by-month basis. With research showing that absence costs businesses an average of £522 per person per year, employers can struggle to absorb the costs involved.

Sick Pay Insurance allows employers to budget with a set monthly payment, smoothing the costs of short-term sickness.

What’s in it for you?

Predictable monthly costs
Professional claims and absence management support
Flexible plans that fit your business

What do you get?

Benefits paid monthly in arrears
Built-in EAP at no extra cost provides access to employer support tools

What you can choose

12-52 weeks
Range of payment periods – 12 weeks to 52 weeks

1 - 4 weeks
Range of deferred periods – 1 to 4 weeks

35% to 80%
A choice of salary replacement ratios to suit business needs

Up to £6K
Range of benefit amounts. Employer-funded paying a percentage of salary up to £6K per month

Because everyone needs a back-up plan.