



Group Income Protection – changes to Employment and Support Allowance

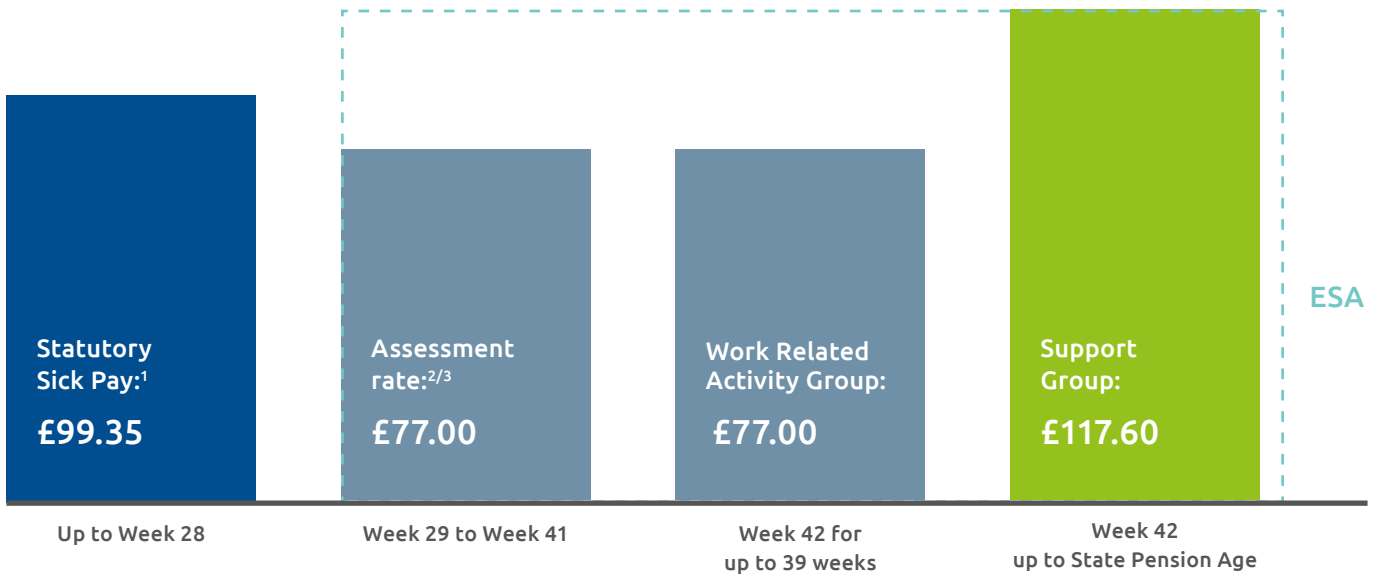
A number of Group Income Protection (GIP) policies, particularly those that have been in force for several years provide a benefit of a percentage of salary less an amount equivalent to Employment and Support Allowance (ESA).

What is ESA and how does it work today?

ESA is the State Benefit paid to those who are unable to work because of illness or injury. ESA will be paid at the assessment rate for 13 weeks² while it is determined whether the person is placed in either:

- **The Work Related Activity Group** – unable to work but capable of taking part in work related activity or
- **The Support Group** – incapable of both work and work related activity

Current weekly rates of ESA:



¹ [gov.uk/statutory-sick-pay](https://www.gov.uk/statutory-sick-pay) ² [gov.uk/employment-support-allowance/what-youll-get](https://www.gov.uk/employment-support-allowance/what-youll-get) ³ Rate applicable to those aged 25 or over

Changes from April 2017

Over the years changes have been made to the structure of ESA. The most recent change came into effect in April 2017 when the amount paid to new ESA claimants who were placed in the Work Related Activity Group was reduced.

This emphasised the importance of reviewing benefit design. A flat percentage of salary with no offset is:

- **Simple** – easier to understand, and
- **Clear** – giving employees a degree of certainty about the benefit they will receive if they are unable to work because of illness or injury.

We can provide quotes on alternative benefit designs including cost-neutral options.

This information in this document is correct as of April 2022.

For more information please contact your Unum sales representative