

KEY

Financial Associates Ltd

www.keyfinancialassociates.com



For all your Financial Needs



Mortgage | Insurance | Advice

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Key Financial Associates was founded in 2008. The concept was bringing together a wealth of experienced advisors, who are determined to offer simpler, better mortgage & protections services for business owners, homeowners and people wishing to purchase their own homes, as well as helping the older population who wish to keep a mortgage in retirement.

Today the company has grown with advisors across the UK & Northern Ireland, giving a greater ability to provide the best service possible.

Andrew Evans

Director

Relevant Life

A death in Service benefit for employees & Company directors

Factsheet

Overview

In simple terms, Relevant Life Insurance is a cost-effective way of taking out life insurance for you or your employees. It's designed to pay out a lump sum on death or diagnosis of a terminal illness. Straightforward and cost-effective, Relevant Life Insurance can also be tax-efficient for both the business and the employee. The cover is paid for as an expense through the business.

Who it's for

Any employee of a UK business including Self-Employed Limited Company Directors.

What it does

- It provides Life Cover for an employee/Director whilst they work for the company.
- The Company pays the premiums on behalf of the employee/Director.
- It provides a more cost-effective and tax-efficient way of arranging Life cover.



How it works

- The company takes out a Relevant Life Plan on behalf of the employee/Director
- The Relevant Life Plan is placed in Trust by the employee/Director
- If the employee/Director dies during the term, a claim is made by the Trustee(s)
- The Relevant Life Plan pays out the to the Trustee(s).

Why it's so tax-efficient

- It's usually cheaper than arranging cover privately.
- Premiums are normally classed as a business expense and are therefore tax deductible.
- Placing it in Trust may avoid any potential Inheritance Tax Liability on the benefit payable.
- The premiums are paid by the business and not from the employee/Directors' net income (from which Income Tax and NI contributions are taken first).
- Under current rules, the benefit from a Relevant Life Plan doesn't count towards someone's lifetime pension allowance (unlike a Group Death in Service Scheme).



Information regards taxation levels and basis of reliefs are dependent on current legislation, individual circumstances are not guaranteed and may be subject to change.

What you can save

The unique way in which Relevant Life Plans are established mean you may be eligible for considerable tax and cost savings. This table shows the comparative total costs for the same plan taken out as a normal life insurance policy versus a Relevant Life Plan assuming the policyholder is a salaried Director of their own business.

	Normal/Non-Relevant Life Policy	Relevant Life Plan
Annual Premium	£1,000	£1,000
Employee NI Contributions (assuming 2%)	£34.48	N/A
Income Tax (assuming 40%)	£689.65	N/A
Gross earnings required	£1,724.13	£1,000
Employer NI Contributions (assuming 13.8%)	£237.93	N/A
Total gross cost	£1,962.06	£1,000
Less Corporation Tax (assuming 20%)	£392.41	£200
Tax-adjusted total cost (annual)	£1,569.65	£800

This example is fictitious and provided for illustrative purposes only. It assumes that the policyholder's Relevant Life Plan gets full tax relief and qualifies as an allowable business expense. Actual premiums will depend on individual circumstances. As with all insurance policies, exclusions and limitations may apply.

This cover is ideal for

Limited Company Directors (PAYE)

Employees of UK Limited Companies, Partnerships, Limited Liability Partnerships or Sole Traders

This cover is not designed for

Business owners of Partnerships, Limited Liability Partnerships or Sole Traders (in their capacity as owner).

Those residing outside of the UK



Key Financial Associates Ltd is an appointed representative of PRIMIS Mortgage Network. PRIMIS Mortgage Network is a trading style of Personal Touch Financial Services Ltd which is authorised and regulated by the Financial Conduct Authority.

Shareholder / Partnership Protection

Factsheet

Overview

Shareholder protection allows business owners to buy shares back from any shareholder/partner who is diagnosed with a critical illness, terminal illness or dies. This policy helps surviving owners stay in control and minimises disruption to the business.

The cover is paid for as an expense through the business.



Who it's for

- Owners of UK Limited Companies with two or more stakeholders.
- Partners of Partnerships and Limited Liability Partnerships.

Why it's so important

Dealing with company ownership can be difficult in the event of untimely death or serious illness. A shareholder arrangement sets out how the shares should be valued and gives the surviving shareholders the right to buy the shares or the outgoing shareholder the right to sell. A Shareholder Protection policy is designed to provide the capital lump sum required to complete the transaction.

How it works

- A legal agreement is put in place to enable the sale/purchase of a stakeholder's share in the business in the event of death or critical illness and defines how the shares are valued.
- Each stakeholder takes out a policy on their own life to cover their share of the business.
- If a stakeholder becomes critically ill or dies during the term, a claim is made.
- The proceeds are paid according to the Trust.
- The remaining stakeholders use the money, to purchase the deceased/critically ill stakeholder's share of the business.
- The stakeholder (if critically ill) or the stakeholder's family (if deceased) receive the money from the sale of the shares.



Why you need a plan

- Provides support, certainty and security to the stakeholder's family.
- Protects the business by ensuring shares only get passed/sold to suitable parties.
- Removes any ambiguity or disagreement over the value of the stakeholder's shares.
- Ensures control is retained and offers third party suppliers/creditors greater confidence in the ongoing management of the business.
- Supports business continuity and succession planning.

This cover is not designed for

- Sole Traders
- Employees

Executive Income Protection

Product Factsheet

Overview

An Executive Income Protection policy provides a replacement income if an employee or Company Director is unable to work due to accident or illness. The benefit is paid directly to the business who continues to pay the employee or Company Director (via PAYE) whilst they are unable to work.

The cover is paid for as an expense through the business.

Who it's for

Any employee of a UK business including Self-Employed Limited Company Directors.

What it does

- It provides a replacement Income for an employee/Director
- if they are unable to work due to accident or illness.
- The Company pays the premiums on behalf of the employee/Director.
- It provides a more cost-effective and tax-efficient way of arranging Income Protection.



How it works

- The company takes out an Executive Income Protection policy on behalf of the employee/Director
- If the employee/Director suffers an accident or illness during the term, a claim is made by the Business.
- The replacement income is paid directly to the business who continues to pay the employee/Director whilst they are unable to work.

Why it's so tax-efficient

- It's usually cheaper than arranging cover privately.
- Premiums are normally classed as a business expense and are therefore tax deductible.
- The premiums are paid by the business and not from the employee/Directors' net income (from which Income Tax and NI contributions are taken first).



Under current rules:

- o The premium payments are treated as an allowable business expense.
- o The proceeds are taxed as a trading receipt.
- o The benefit paid to the employee via PAYE is classed as an allowance business expense.

Why it's so beneficial

- Ringfences the employee's pension because the replacement income benefit is paid via PAYE, and the employee's pension contributions continue to be paid.
- Enables the business to hire an interim replacement during any period of absence.
- Provides the employee with a replacement income during periods of absence.
- Forms part of a very attractive employee benefits package.
- Offers Company Directors with a more cost-effective and tax-efficient way of arranging Income Protection cover.
- Offers a higher level of Income Protection benefit compared to a personal plan (up to 80%).
- Income calculation can include Salary, Dividends and P11d BIK.



This cover is ideal for

Limited Company Directors (PAYE)

Employees of UK Limited Companies, Partnerships, Limited Liability Partnerships or Sole Traders

This cover is not designed for

Business owners of Partnerships, Limited Liability Partnerships or Sole Traders (in their capacity as owner) or those residing outside of the UK.



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Keyperson Insurance

Product Factsheet

Overview

Keyperson insurance is a protection policy designed to provide financial support and continuity should a business lose a key member of staff to serious illness or death. A claim can be made, and the proceeds used to replace the loss of profits caused by their absence and help the business recruit a suitable replacement.

The cover is paid for as an expense through the business.

Who it's for

Anyone whose death or continued absence would have an impact on the profits of the business.

- Examples of Keypersons
- Business Owners/Founders
- Senior/Sales Managers
- High-Performing Sales Staff
- Technical Specialists
- Research and Development Staff
- Sole Traders
- Key Account Managers



A keyperson can be any individual who significantly contributes to a business's financial success due to their Skills, Knowledge, Experience or Leadership.



What it does

- The Company pays the premiums on behalf of the insured.
- It provides a cash lump sum when a key person dies or falls critically ill.
- The money can then be used to recruit a replacement and/or cover the loss of profits caused through their absence.

Protecting you and your family

At Key, we believe that it's vital to underpin the foundations of your mortgage and other borrowings by making sure that you have decent protection.

We can help you to arrange income protection, life insurance and critical illness cover in order to give you peace of mind. Once your protection policies are in place, if you become unable to work long-term, or if the worst should happen, you can be sure that you and your family are fully covered.



A suitable life insurance plan will provide an agreed lump sum payment in the event of death, while critical illness cover will pay you an agreed amount following a specified sickness diagnosis.

We recommend placing a life plan in Trust to ensure both prompt payment and the cover amount not being subject to inheritance tax.

Right Money • Right Hands • Right Time

Getting started with Key Financial Associates



Our meetings can be completed over the phone & email, in your home, in our offices or via Zoom, whichever is most convenient for you



CONTACT US today and discover how Key Financial Associates can help you find the right protection cover:

TEL: 01704 895174 | 07789 953916

Email: jon@keyfinancialassociates.com

A STEP BY STEP GUIDE TO HOW THE PROCESS WORKS

- **You contact one of our consultants over the phone to discuss your initial requirements with one of our advisors.**
- We discuss the options available and the amount of cover required
- **We collect the information and documentation that the providers will need.**
- Based on the information supplied, we provide you with illustrations for the most suitable products for your circumstances.
- **With your agreement, we then submit the application on your behalf to ensure the insurer is able to provide cover.**
- We manage the application through to completion and liaise between all involved parties.
- **Post-completion we are available for any questions and able to discuss any further requirements.**



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01704 895174



Keeping Protection Simple