

Independent schools briefing, October 2024

Group protection benefits

Schools that are either planning or already offering alternative pension arrangements to the Teachers' Pension Scheme (TPS) face what is often an unexpected challenge. They are expected to put in place death and ill health early retirement insurance benefits, which the TPS previously gave to their staff. They may also want to extend access to such benefits support staff.

This briefing provides an overview of the options for group protection, an umbrella term for three insurance benefits that can meet this requirement – life assurance, income protection and critical illness cover.

Choosing an off-the-shelf solution

One option that has caught the attention of many independent schools coming out of the TPS is the Aviva Pension Trust for Independent Schools (APTIS).

APTIS can work well for schools that want an *off-the-shelf* solution. It differs from standard life assurance and income protection products in that participating schools are charged at the same (pooled) rate, rather than being costed individually.

However, such one-size-fits-all designs are less flexible than others available in the rest of the market.

Employers may be able to secure a lower premium rate and better value for money by exploring the wider group protection insurance market.

Carrying out a group protection market review

A full market review allows schools to explore alternative benefit designs that may better meet their requirements.

Schools can undertake a market review at any of the following stages:

- When setting up group protection policies
- At any point during the policy year or rate guarantee period, if cover is already in place.

Insurers guarantee the rates they offer at the start of the contract. Unless the benefits or the number of people insured increase significantly – typically by 25% – your insurer will not alter their rate.

On the other hand, rate guarantees apply only to the insurer and should schools wish to make changes, they can review their arrangements at any point during the rate review period. They don't even have to wait until the anniversary date.

Opting for a small scheme deal

Not every school is willing or able to embark on a full market review.

A lower cost option might be to use a *small scheme deal*, negotiated with a single insurer, once due diligence has been carried out.

Small scheme deals can offer flexibility around scheme design and the potential for premium savings.

Considering additional wellbeing services

There's a lot more to employee wellbeing than financial protection. That's why today's group protection policies go beyond traditional insurance cover to include complimentary wellbeing services.

These services are designed to deliver support to both the employer and its employees in times of need.

Wellbeing services usually come at no additional cost and can range from bereavement counselling and probate services to mental health support and more.

Is it time to review your group protection benefits?

Our specialist team helps independent schools assess their options for life assurance and other group protection benefits.

[Get in touch with our specialist team](#)