



**Press release  
6 March 2017**

**GRiD's response to tax and National Insurance charges on Group Risk**

Katharine Moxham, spokesperson for GRiD, responds to the confirmation from Government that new tax and National Insurance charges will be levied on group income protection (GIP) and excepted group life insurance (EGLP) offered through flexible benefit arrangements run through salary sacrifice.

"We are obviously disappointed that Government has not seen fit to give an exemption for excepted group life or income protection where employees are able to increase their coverage through salary sacrifice. The amounts involved are small and the resulting change will simply add complexity for providers and scheme members. It will add a further burden on businesses which might otherwise have included a facility to allow their employees to build on a basic level of employer-provided cover.

There has never been a greater need for group protection and we would argue that employers need more help to encourage take-up not less. +

"GRiD put forward the case for the provision of these benefits to be encouraged as they:

- Reduce the burden on the State (both through reduced expenditure on State Benefits and increased revenue through tax and NI).
- Provide value to employers and employees.
- Are aligned to DWP goals of supporting people back to work.

"The outcome is particularly pertinent for group income protection given that the DWP/DH green paper on work, health and disability has recognised the role that group income protection can play in supporting employers' health, wellness and attendance programmes. The industry will continue to lobby for some joined up thinking on this."

- Ends -

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## **Notes for editors**

### **About GRiD**

Group Risk Development (GRiD) is the industry body for the group risk protection sector, promoting the value to UK businesses of providing financial protection for their staff, enhancing their wellbeing and improving employee engagement. Our membership includes insurers, reinsurers and intermediaries who have a collective wealth of experience built over years of operating in the group risk protection market. Under the chairmanship of Lee Lovett, CEO of Ellipse, GRiD aims to promote group risk through a collective voice to Government, policymakers, stakeholders and employers.

GRiD works with government departments and regulators involved in legislation and regulation affecting group risk benefits, and with other organisations involved in the benefits and financial protection arenas. GRiD also seeks to enhance the industry's standing by encouraging best practice and by participating in industry-wide initiatives such as the professional qualification in group risk managed jointly with the Chartered Insurance Institute.

GRiD's media activity aims to generate a wider awareness and understanding of group risk products and their benefits for employers and employees.

GRiD's dedicated spokesperson, Katharine Moxham, provides expert media comment on a full range of group risk issues.

[www.grouprisk.org.uk](http://www.grouprisk.org.uk)

Follow Katharine Moxham on Twitter @KMoxham