

Workday UK Ltd

Group Income Protection Scheme

Introduction

Loss of income because of serious illness or injury is a matter of grave concern to an individual, his or her family and to the Company. Therefore, to increase your security, the Company has established a Group Income Protection (GIP) Scheme with our insurer, which is designed to provide protection for you and your family if you are unfortunate enough to be ill for an extended period.

Who is eligible?

The Scheme covers all eligible employees between the ages of 16 and 70 (subject to the terms of the insurance policy of the relevant insurance provider as amended from time to time, you satisfying the normal underwriting requirements of the relevant insurance provider, and being accepted at normal rates of premium). You will cease to be included in the Scheme on your 70th birthday, or on ceasing to satisfy the conditions above, if earlier.

Do I have to pay for cover?

The Company meets the entire cost of the Scheme and there is presently no personal tax liability on the insurance premium.

When would I start to receive income protection benefits?

The first 26 consecutive weeks of absence from work due to a serious illness or injury are known as the "Deferred Period" and no benefit is payable from the GIP Scheme during this period. You should refer to the People & Purpose Department if you wish to know what the short-term sickness policy is up to the 26th week of absence. If our insurer deems that you are still unable to complete the material and substantial duties of your own occupation (based upon the medical evidence provided) then after this period has expired, you may become eligible to receive the benefit.

Please note that in the event of a claim you must provide the medical evidence requested by our insurer. If you do not provide the requested medical information the insurer will not be able to assess the validity of the claim, which could result in the non-payment of benefit.

How much benefit will I receive?

The Scheme aims to provide you with a regular income benefit while you remain in service with us for up to 5 years. Provided you remain employed with us, and otherwise qualify, the benefit may be payable until the earlier of your disability ceasing, expiry of 5 years or your death. Any benefit is payable monthly in arrears via PAYE and will increase by the lower of the retail prices index and 2.5% of benefit compound each year.

Provided you qualify, the policy will pay 75% of your "Policy Salary" for up to 5 years. Your "Policy Salary" is defined as your basic (and if you utilize salary sacrifice then your notional) salary immediately prior to the commencement of incapacity.

In the event of the benefit expiring after 5 years of continuous absence, the Scheme may pay out a lump sum of 2x your annual basic salary (and if you utilize salary sacrifice then your notional¹) salary immediately prior to the commencement of incapacity.

¹ **Notional basic salary:** For the purposes determining Policy Salary, where an employee has made an election under the employer's salary sacrifice arrangement Policy Salary shall be based on the amount prior to any reduction in respect of salary sacrifice.

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If you are a pensionable employee within the meaning of the applicable insurance policy, you are in receipt of group income protection benefit, and there is sufficient cover, then an employer contribution to your pension may be made during long term sickness absence up to a maximum level of 6% of your Pensionable Salary (excluding any lump sum payment).

The payment of any benefit in the event of a claim is subject to acceptance by our insurer. For the avoidance of doubt if the insurer refuses for any reason to provide insurance benefit to you, we shall not be liable to provide any replacement benefit of any kind, or to pay any compensation in lieu of such benefit. We shall have no obligation to make payments to you if we have received no payment from the insurance provider for that purpose.

What if I die whilst receiving GIP Benefits?

Subject to eligibility, you will remain a member of any existing Company Group Life Assurance Scheme whilst receiving benefit, ensuring your death benefit entitlements are maintained. Any death benefits will be calculated based on your pre-disability Salary (and if you utilize salary sacrifice then your notional salary).

What if I am claiming full benefit and am able to return to work on a part- time basis?

You should discuss your entitlements with the People & Purpose Department. You may be entitled to some proportionate benefit.

What if I return to work and suffer a relapse?

You should discuss your entitlements with the People & Purpose Department. Your absence may be seen as linked to your original absence and benefit may recommence.

What happens if I leave the Company?

Membership of the Scheme ceases if you leave the Company.

Nothing shall prevent us from terminating your employment notwithstanding that you are or may be entitled to receive sick pay or benefits under any Group Income Protection Scheme from time to time in force.

Is my benefit taxed?

According to the present practice of the Inland Revenue benefits are paid by the Company as earnings and the payments of benefits are therefore subject to Income Tax under PAYE procedures, National Insurance Contributions and any other applicable deductions in the same way as earnings.

Do I have to provide evidence of health?

No, unless you have a total benefit in excess of the free cover level of £285,000. If your benefit is above this level our insurer may require you to complete medical underwriting before any excess benefit will be in place. Medical underwriting will also be required for all your benefits if you seek to join the Scheme outside of the normal eligibility criteria. You will be notified if medical evidence is required.

Are there any limits?

Occasionally it may be necessary to limit or restrict the benefits provided by the Scheme. In addition, benefit may be reduced by the amount of any other income you receive as a result of your disability, excluding State Incapacity Benefits. Note that this may include income received by you under any individual income protection policies as well as

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mortgage protection policies etc.

Alteration or Discontinuance

The Company hopes to continue the Scheme indefinitely but must necessarily reserve the right to modify, suspend or discontinue the Scheme if future conditions, in the opinion of the Company, warrant such action. Benefits already being paid at the date of any change are likely to continue and unlikely to be affected by any such change.

Further Information

Although every effort has been made to ensure the accuracy of this leaflet the legal documents covering the Scheme, including the terms of our insurance policy with the relevant insurance provider as amended from time to time, will prevail in the case of a dispute.

Last updated: **February 2023**