

Reward and Retirement Provision

Assignment 2

(Part 2 – Health and Risk Benefits)

Recommended Time: 3 hours

1. You are the adviser to a large defined benefits scheme. The Trustees are concerned about the cost of ill-health early retirement pensions to the Scheme. They have asked you to provide a report which describes the advantages and disadvantages of implementing a fully company paid income protection scheme as an alternative. Detail all of the criteria that would need to be included to facilitate the implementation of such a scheme.

35 marks

2. Explain the options available to help contain the cost of private medical insurance.

15 marks

3. Outline the advantages and disadvantages of insured, cost plus and self insurance medical cover.

10 marks

4. You are an HR Business Partner at a large multi-national company. An employee is incapacitated due to an accident at work which has resulted in their permanent and total disability. Your company currently provides the following company-paid benefits:

- Income protection benefit
- Personal accident

Prepare an email to the employee detailing which (if any) benefits may be payable. Your email should include:

- When the benefit commences and ends
- Any restrictions to cover
- How the income protection benefit is paid

15 marks

5. A company is concerned about the potential impact of the untimely death or disability of the Technical Director who is key to the successful implementation of a 5 year project. Write a letter to the Financial Director describing how the company might protect itself against such an eventuality.

15 marks

6. List the main areas of treatment which would typically be covered under a private medical arrangement.

5 marks

7. Identify the main exclusions from a private medical policy and give 5 examples of other possible exclusions.

5 marks