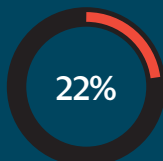


What happens if something happens?



59% of people are concerned about a loss of income if they're unable to work due to illness or injury



22% of people don't have enough savings to cope with a financial emergency



34% of people said they could only afford to support themselves financially for up to two months. And for those working full time it's 32%.

But...

33%

of people have never heard of income protection

51%

of people said they would use their savings to pay their rent/mortgage and bills if they couldn't work because of a long-term illness or injury

24%

would rely on the partner's income

29%

would apply for state benefits

And for those working full time

52%

would use their savings

24%

would rely on their partner's income

27%

would apply for state benefits

Source:
LBG YouGov IWD Protection Survey, January 2025



SCOTTISH WIDOWS

This information is based on our understanding of the Chancellor's 26th November 2025 Autumn Statement and 3rd March 2026 Spring Statement.

It must be remembered that these proposals could change.

Every care has been taken to ensure that this information is correct and in accordance with our understanding of the law and HM Revenue & Customs practice, which may change. However, independent confirmation should be obtained before acting or refraining from acting in reliance upon the information given.

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SCOTTISH WIDOWS



Income protection facts

2026/27

Key facts at a glance

State Benefits

Universal Credit

Universal Credit is a benefit for those on low income, out of work or can't work. A claim must be made by the household, even if a partner isn't eligible. How much will be paid will depend on the household's income and savings.

How much will be paid

Standard allowance

How much will be paid	Monthly standard allowance
Single and under 25	£338.58
Single and 25 or over	£424.90
You live with your partner and you're both under 25	£528.34 (for you both)
You live with your partner and either of you are 25 or over	£666.97 (for you both)

You could get an extra amount if you have children who live with you.

How much will be paid	Extra monthly amount
For first child	£351.88 (born before 6th April 2017) £303.94 (born on or after 6th April 2017)
For second child and any other eligible children	£303.94 per child

There's also an extra amount if any children are disabled.

- £164.79 if your child is disabled
- £514.71 if your child is severely disabled

Childcare costs

Up to 85% of childcare costs can be claimed back for those who are working. If those who live with their partner, both need to be working, unless one partner is unable to work due to a disability or health condition.

The most you can get each month is:

- £1,071.09 for one child
- £1,836.16 for two or more children

For those with a disability or health condition

How much will be paid	Extra monthly amount
Limited capability for work and work related activity	£429.80
Limited capability for work and you started your health-related Universal Credit or Employment and Support Allowance (ESA) claim before 3rd April 2017	£217.26

A carer for someone who gets a health or disability-related benefit

How much will be paid	Extra monthly amount
Providing care for at least 35 hours a week for someone who gets a health or disability-related benefit	£209.34

Employment and Support Allowance (ESA)

Employment and Support Allowance (ESA) is available for those under state pension age who have a disability or health condition that affects how much they can work.

They also need to have both:

- Worked as an employee or have been self-employed
- Paid enough National Insurance contributions, usually in the last two to three years

Any Universal Credit payment will be reduced by the amount of ESA paid.

While a claim is being assessed

The 'assessment rate' for 13 weeks while a claim is being assessed is:

- Up to £75.65 a week if aged under 25
- Up to £95.55 a week if aged 25 or over

After assessment

For those able to get back into work in the future, they'll be put into the work-related activity group. Otherwise, they'll be put into the support group.

- Up to £95.55 a week if in the work-related activity group
- Up to £145.90 a week if in the support group

Statutory Sick Pay (SSP)

Statutory Sick Pay (SSP) is £123.25 per week for those too ill to work. It's paid by the employer for up to 28 weeks.

Support for Mortgage Interest (SMI)

For homeowners or those who have bought a shared ownership property, they might be able to get help towards interest payments on their mortgage. It's paid as a loan, which will need to be repaid with interest when the house is sold.

You need to be getting a qualifying benefit to get SMI. If you qualify for Support for Mortgage Interest (SMI), you'll usually get help paying the interest on up to £200,000 of a loan or mortgage. The amount is £100,000 if either:

- you're getting Pension Credit
- you started claiming another qualifying benefit before January 2009 and were below state pension age at that time.

The interest rate used to calculate the amount of SMI is currently 3.66%.

What our research tells us

Who is covered?

7%

of people have income protection

62%

of people have no life cover, critical illness cover or income protection, with **66%** of women having no protection, and **58%** of men

5%

of self-employed workers have income protection, with **63%** having no cover at all

Mortgage customers

61%

of mortgage customers have life cover

30%

of mortgage customers have critical illness cover

17%

of mortgage customers have income protection, but 22% have never heard of it