



Barristers: Putting up a robust defence...

“There is a mental health crisis in the profession” strong words from Sarah Vine, the CBA’s Wellbeing Director in a recent Guardian piece on the mental health of Barristers.

It’s an area of our health that is often overlooked, but is one of the main causes of long term absence from work according to figures from LV, a leading insurer in the field of income protection.

The issue of a prolonged period of ill health is a serious issue for many Barristers. Whilst employed practitioners may benefit from some degree of sick pay with their employer, up to 12 months is generally the best we see, this will not be the case for self-employed practitioners.

Should you be off work due to ill health then cases may get postponed in the short term, or other members of your Set may step in and help where they can, but none of these are a long term solutions and leave you and your clients in limbo if you do not return to work within a few days.

It may be possible that other Barristers take over your active cases and for Chambers to extend a loan facility to you whilst you are off. Whilst this is a longer term solution, it adds the pressure of a growing debt in the background whilst you are trying to recover from the illness or injury that has seen you off work in the first place – stress and pressure you most certainly don’t need at that time.

So what’s the solution?

How would a tax-free payment of around half of your gross income sound? Payable until you’re well enough to practice again, with help and support to return to work when you’re ready.

This is what income protection can do for you. It is in essence an insurance plan that pays out once you are deemed “unable to work”. The payments are tax-free and can cover up to 60% of your gross earnings (depending on the insurer and the insurance contract purchased).

Unlike more commonly seen critical illness plans income protection does not have a defined list of claimable conditions, giving it a much wider range of possible insured health issues. Also unlike critical illness cover this wider range allows it to cover mental health – an area pretty much ignored under critical illness plans.

However, due to these factors income protection is a more complex product than critical illness and is therefore more time consuming to research and advise on, meaning many opt to ignore it.

The main areas of difference between plans surround the definitions of being “unable to work”. The very best have Own Occupation cover – simply meaning if you are medically signed off from your job there is no obligation to go and do something else instead, even if you could, you stay at home and you recover.

The very worst plans only pay if you fail a number of the “conditions of daily living”. Essentially if you can get out of bed, brush your teeth and get dressed, they won’t pay out. Even if you couldn’t go and practice – they would be expecting you to do any other type of work.

Additional areas of difference are around the payment – some plans pay out up to 60% of your gross income, but then deduct any benefits you get. Others pay out up to 50% of your gross earnings, regardless of any benefit income you may receive.

This makes these plans very unsuitable for price comparisons; as a low cost plan is likely to be the very worst of the breed with almost no chance of you being able to claim successfully. The very best will of course cost more, but have the highest chance of a successful claim and will often include additional benefits for policy holders too – such as funeral cover, or fracture cover.

Premium is always a factor and even the more costly plans recognise this, with many offering budget options of their plans – these offer all the same benefits, but limit the maximum time you can claim, e.g. 2 years at any one time.

With the Bar Council's recent research showing many Barristers are working over 51 hours per week, with workloads increasing by up to 40% in criminal law practices, it makes sense to ask a professional to look into this cover for you.

It is often said that most of us rent our lifestyle; paying for cars, homes, phones, etc each month. If suddenly that income stopped and wasn't doing to return for possibly 18 months – how would you cope?

If you would like to discuss more about protecting your income please feel free to get in touch with me directly on 07941 122792 or email scott.taylor-barr@openwork.uk.com