



LONG TERM SICKNESS INSURANCE SCHEME FOR SCHOOLS

**Reviewed April 2025
Version 1**

LONG TERM SICKNESS INSURANCE SCHEME

INTRODUCTION

Since the delegation of budgetary management to schools, schools have been able to decide how to cover costs for covering sickness and maternity absences. A management committee of head teachers and the Schools HR team have established and maintained arrangements which allow schools to buy in to the long term sickness and maternity insurance schemes.

LONG TERM SICKNESS INSURANCE

1.1 The sickness insurance scheme operates independently from the maternity insurance scheme but the two schemes are aggregated for accounting purposes. The main long-term sickness insurance scheme covers teaching staff (including Head and Deputy Head teachers), 1 x School Administrator (but see * below), 1 x Nursery Nurse or equivalent, 1 x Caretaker or Site Manager (except for high schools who can add an Assistant Caretaker as they will not have a Nursery Nurse), whose posts are funded from the schools delegated budget. Centrally funded staff based in schools are not included. *An addition to the scheme from 1 April 2013, schools can choose which member of the office staff is included in the scheme. This can include the School Administrator, Head's PA, School Business Manager or Finance Officer. Schools that wish to change cover from the School Administrator/Head's PA, who is automatically covered, to the SBM or Finance Officer, should nominate this member of staff at the start of the year and by no later than 30 April assuming that the nominated member of staff is not away sick at the time of nomination. This nomination must be confirmed at the start of the year, otherwise and by default the main school administrator will be designated. If the nominated member of staff leaves during the year, another member of staff can be nominated provided they are not sick at the time of nomination and have no planned periods of sickness absence (e.g. hospital admission). Additionally, schools that do not employ their own nursery nurses or caretakers, are entitled to nominate an alternative member of support staff to be covered by the scheme. These schools are asked to nominate additional member/s of staff at the start of the year and by no later than 30 April. **Please note that the scheme will not provide cover for an additional member of staff who is sick at the time of nomination.**

1.2 Schools that do not use Ealing's payroll service are required to provide a staff list at the beginning of each year showing the staff that will be covered by the scheme.

1.3 The scheme is designed to help cover the cost of employing cover for essential staff who are absent on long term sickness. The insurance sum can be used in whichever way best suits the needs of the school. It does not have to be put directly towards the cost of employing cover.

1.4 Staff included in the scheme are covered when they have been absent on sick leave as follows:-

- for 12 consecutive working days in the case of a first absence within one financial year ending 31 March
- for 8 consecutive working days in the case of a second related absence within one financial year ending 31 March

ANNUAL PREMIUMS

Schools will be charged at a rate of £200 per teacher by headcount (not FTE) to participate in the scheme. Where a School/Children's Centre has more than one nursery nurse then the following will apply:

- i) Schools/Children's Centres can choose to nominate one nursery nurse or can choose to nominate additional nursery nurses who will be charged at a rate of £200 per additional nursery nurse by headcount.**

THE AMOUNTS PAYABLE

2.1 The amounts that are payable for full time staff are set out below, these will be pro rata for part time staff.

Teachers (including heads & deputies)	£200 per day
Nursery Nurses or equivalent (named)	£120 per day
School Administrators (named)	£73 per day
Caretakers & Assistant Caretakers (named)	£70 per day

The above amounts are reduced once the member of staff goes on to half sick pay as follows:-

Teachers (including heads & deputies)	£100 per day
Nursery Nurses or equivalent	£60 per day
School Administrators	£36.50 per day
Caretakers & Assistant Caretakers	£35 per day

On exhaustion of entitlement to sick pay no further claims can be made. However where half pay is extended, pending a decision on medical retirement, insurance cover will continue at half sick pay rate (see above) for as long as pay continues to a maximum of 4 months.

For staff returning from sickness on a phased return to work, insurance cover will continue for a maximum of 4 weeks at half sick pay rate (see above). The school will need to provide evidence of the phased return.

CLAIMS

3.1 Claims should be submitted termly using the claim form attached at Appendix A to Schools HR. Additional copies of claim forms are available from Schools HR on request. Claims must be presented within the financial year they relate to. Any special arrangements that apply to Year End will be communicated to schools.

3.2 Claims will only be paid on receipt of fit notes/sickness certificates confirming absence.

3.3 The scheme only pays claims for Monday to Friday working.

ACCOUNTING ARRANGEMENTS

4.1 For accounting purposes the Long-Term Sickness Insurance and the Maternity Insurance Schemes are linked and any losses/surpluses are treated as a credit, or debit, to the main scheme funds. Separate records of accounts are however maintained for each so that, at the end of each financial year, we are able to keep you informed of the progress of each scheme. This also enables decisions to be made about any changes in funding or refunds that may be needed.

4.2 A 2% administration charge is payable to cover the costs of the schemes administration. This is paid by central journal transfer from the schemes reserve and it not charged out directly to schools. The payment is made to the schools HR consultancy team who administer the scheme.

Head teachers who are members of the management committee will receive a credit of £500 per annum, payable to their school to compensate for the time spent as a member of the management committee.

4.3 The scheme is administered by the Schools HR Consultancy Service. Policy decisions are taken by the Management Committee. The Committee manages both the long term sickness and maternity schemes. At the end of each financial year the Management Committee will decide how any surpluses or losses generated by the scheme are dealt with. A balance statement will then be provided for participating schools.

4.4 In order to ensure the schemes continued viability, automatic insurance cover is capped at twice the contribution of each school. A school that contributes, say, £4,000 will therefore have a limit of £8,000 placed on its automatic entitlement to long term sickness insurance cover. Any claims in excess of a schools automatic entitlement will be considered by the

Management Committee at the end of the financial year and, where the scheme shows a surplus, consideration will be given to making additional payments to those schools in accordance with the priorities listed in 5.1 below.

SCHEME SURPLUSES

5.1 In the event that the scheme has a surplus balance at the end of a financial year, the Management Committee will decide how to use the surplus in the accordance with the following:

1. Transfer all or part of the surplus to the schemes reserve to cover deficits in future years.
2. Make additional payments to schools that have been capped at twice their contribution (on a % basis of their contribution).
3. Make refunds to schools that have made claims of less than their contribution in proportion to their budget share or as a percentage discount to their contribution to the scheme for the following year.
4. Make a general refund to schools participating in the scheme
5. Decide to reduce premiums and/or increase pay-out amounts

5.2 In the event of a refund to schools on the formula basis schools will qualify for a percentage share of any surplus, providing the amount claimed during the financial year has not exceeded their original contribution. For those schools that qualify for a refund, their share will be calculated by deducting the total value of claims made in the financial year from the value of their contribution, calculated as a percentage of the total surplus. An example is given below of a share from a £800 surplus:

	School A	School B	School C
Original Contribution	£1,000	£800	£2,000
Total Value of Claims	Nil	£200	£2,300
Refund	£500	£300	Nil

In the example above School C has exceeded its original contribution. It therefore does not qualify for a share of the surplus. School B has remained in credit by £600 which equals 75% of their original contribution. School A has made no claims at all. The £800 surplus share is therefore divided between Schools A and B in the ratios of net contributions (ie premiums less claims). School A will receive a share of £500 and School B receives a share of £300.

SCHEME DEFICITS

6.1 The scheme has a reserve which the Management Committee have chosen to retain to cover overspends in future years. This means that, except in exceptional years, it will not be necessary to surcharge schools in the event that their total contributions are exceeded by the value of claims.

6.2 Exceptionally, in the event that an overspend in the scheme is too great to be covered from the reserve, it will be necessary to surcharge schools. All schools would be asked to pay 25% of the overall deficit in proportion to their original share contribution. The remaining 75% deficit would then be paid off by each school that had claimed more than their original contribution in the ratio of their share of the deficit. An example of a deficit share, based on a £400 net deficit (ie after taking account of any contribution from the schemes reserve), is given below:

	School A	School B	School C
Original Contribution	1000	800	2000
Total Value of Claims	700	1000	2500
Share of Surcharge of 25% of deficit	26.32	21.05	52.63
Share of Surcharge of 75% of deficit	Nil	81.75	214.29
Total Surcharge	26.32	106.76	266.92

School A has not exceeded its original contribution to the scheme so it is only surcharged a proportional share of 25% of the deficit. Schools B and C overspent their original contribution so they are surcharged a proportional share of the remaining 75% of the deficit.

6.3 Buy in to the scheme is on an annual basis and runs for the financial year. Schools are asked to indicate their wish to buy in to the long term sickness and maternity insurance schemes at the beginning of the financial year. Schools opting to participate in the schemes are then invoiced for their proportion of the costs.

6.4 Any school which make claims in excess of twice its contribution for three successive years will be referred to the management committee to review the schools position in the scheme and consider a surcharge on their annual contribution.

JURY SERVICE

7.1 Relevant Staff (see section 1.1) absent on jury service are covered by the scheme. Cover is provided at the daily rates shown above (less any sum recovered from the court for loss of earnings) and is payable for absence in

blocks of one week. Absences of less than a week are not covered. Payment is conditional on the member of staff providing a loss of earnings form for completion by Schools Payroll and submission of the form to the court to claim loss of earnings.

MANAGEMENT OF THE SCHEME

8.1 The scheme is managed by a Management Committee, made up of a minimum of two and maximum of 4 head teachers, who make any policy decisions regarding the running of the scheme and the accounting arrangements. The Committee manage both the long term sickness and maternity schemes. The Schools HR Consultancy Service is responsible for the administration of the scheme and provides the management committee with an annual statement of account.

8.2 The scheme belongs to schools. If schools would like to see any changes made to it you should contact a member of the Management Committee. Schools HR can provide you with the names of the current members if you wish to contact them.

8.3 The current members of the Management Committee as at 1 April 2025 are: Jas Kalra – Tudor Primary School, Des Lee – Featherstone Primary & Nursery School, Peter Dunmall – Fielding Primary School and Kerry Shilling – Selborne Primary School

Nominations for new members of the Management Committee will be sought every two years. Serving members can continue on the Management Committee if no new nominees come forward.

