



Support you can **count on**

A guide to managing your finances
during difficult times

In times like these, thinking about your financial situation can be stressful. Fears over the spread of coronavirus are causing lots of people uncertainty and real worry in different areas of their lives, from their health and wellbeing to work and finances. **But there are things you can do that may help and if you have any questions about financial planning, get in touch with your Financial Broker.**

1 Review your budget

A useful first step can be to look at how much you've got coming in and going out.

As well as making sure you're claiming what you're entitled to – including benefits, sick pay and tax relief – you may need to see if you can cut back on your outgoings. Depending on your spending and needs, that might not be easy as it could mean seeing if you can do without things you'd normally buy.

Some banks offer spending breakdowns by category on their apps or websites. Using this resource can be a easy way to track your expenses when creating or reviewing your budget.

2 Look over your household bills

It can be a good idea to review all your utility bills and see if you could get a better deal if you switched energy or broadband suppliers.

As many people are isolated at home during this time, the Commission for the Regulation of Utilities (CRU) has put in place the following measures:

- To support customers with gas prepayment meters who can't top up remotely, emergency credit levels for all gas prepayment customers have been increased from €10 to €100.
- The CRU has also issued a moratorium on disconnections of domestic customers for non-payment of utilities. This means that no disconnections will take place up until 16 June 2020, after which the CRU will further assess the situation.

If you're experiencing difficulties paying your utility bills, you should contact your provider directly.

If you're renting, you are still expected to make your rent payments. However, income supports and rent supplement are available if you're struggling to pay. Rent increases and tenancy terminations have also been paused for the duration of the Covid-19 crisis.

3 Assess any debts or loans

Debts that may have been affordable a few weeks ago could now be causing you to worry if your income has dropped or if it might do so in the near future.

If you're having trouble with loan repayments, you should contact your provider directly to talk through what options are available to you.

Financial services companies are offering a range of measures to help customers affected by the Covid-19 crisis. AIB, Bank of Ireland, KBC, Permanent TSB and Ulster Bank are offering:

- A payment break on loans (business loans, personal loans and credit) of up to three months for customers.
- A simplified application process to apply for support.
- A solution to ensure that an application for a payment break as a result of Covid-19 will not affect your credit record.
- Deferral of court proceedings for three months.

The payment break means you have the option of not making your loan repayments for up to three months and your credit record won't be adversely affected. At the end of the payment break period, your repayments will be adjusted so your loan will be repaid within its original term, so your new repayments will be higher than they were before the payment break.

Credit unions make decisions at a local level, so if you have concerns about meeting your loan repayments to a credit union, you should contact them directly.



4 See if you can claim any benefits

Benefits for employees

If you have lost your job due to the crisis, you can apply for the **Covid-19 Pandemic Unemployment Payment**, which is currently €350 per week. You can apply for this if you are an employee or are self-employed.

If you have been temporarily placed on a shorter working week, you may qualify for **Short Time Work Support** which is an income support payment if you have been temporarily placed on a shorter working week. The payment is made in respect of your regular salary for the days that you are no longer working. For example, if you usually work five days a week but this has been reduced to three days a week, you can receive support for the other two days.

Benefits for employers

If you're a business owner, the **Temporary Covid-19 Wage Subsidy** can help you to continue to pay staff who would otherwise be laid off because of trading difficulties caused by the pandemic.

This allows your employees to retain their link with your business and there is no need for them to personally submit a jobseeker's claim. From 04 May 2020, payments will be based on the previous net weekly wage for each employee.

To make a claim or find out more, visit the Department of Employment Affairs and Social Protection website, www.welfare.ie

5 Check if you're entitled to sick pay

In Ireland, there's no legal obligation for your employer to pay you while you're on sick leave, so sick pay entitlement depends on your contract and/or your employer's sick pay policy.

If you're not entitled to sick pay from your employer, you may still be entitled to benefits such as:

- **Illness Benefit:** a weekly payment to support you if you can't work in the short term because you're sick or ill, currently up to a maximum of €203 per week. You're not entitled to this if you're self-employed.
- **Illness Benefit for Covid-19 absences:** an enhanced Illness Benefit payment of €350 per week if you have been told to self-isolate by a doctor or the HSE as you are a possible source of infection, or if you have been diagnosed with Covid-19. If you receive this benefit and have dependants, an increased rate for Qualified Adults of €147 per week is available to help you support them.

To make a claim or find out more, visit the Department of Employment Affairs and Social Protection website, www.welfare.ie

6 Look into tax relief possibilities

If you're working from home during the Covid-19 crisis, you may be able to claim tax relief from Revenue to help cover expenses you incur while working from home, such as heating, broadband and electricity costs.

Typically, utilities are used for both personal and work use, so the refund will be based on the portion of your overall expenses which relate to your time working from home.

How to claim tax relief

At the end of the year, you can complete the Income Tax return through 'My Account' on the Revenue website.

Revenue recommend that "all documentation relating to a claim should be retained for a period of six years from the end of the tax year to which the claim relates, as a claim may be selected for future examination."

For more information and updates, visit the Revenue website, www.revenue.ie

7 Spend less, save more

It's worth reviewing regular subscriptions, like gym memberships, that you may be able to freeze or cancel if you're not going to use them for a while.

The Money Advice and Budgeting Service recommends going through your bank statements to try to identify any unnecessary spending that could be mounting up on a monthly basis, like subscriptions for websites and apps you may have forgotten about. Just remember to check any terms and conditions beforehand to see what your options are and when (or if) you can make changes.

For more information, visit the Money Advice and Budgeting Service website, www.mabs.ie

Signing up to supermarket loyalty programmes, where you build up points based on the money you spend and which can offer you discounts and vouchers, may help you to save money on your grocery shopping.

You may not be able to save much if your income has dropped, but if you're able to, it may be useful to try and build up a cash buffer for emergencies. If you're working from home rather than commuting to work, you'll be spending less on travel and possibly things like lunches and coffees – you could consider putting this money into a savings account so that it can add up over time. The average household spends €632 during a pandemic week (including housing costs) compared to €837 in a normal week, according to estimates from the ESRI. Proactively saving the difference in your household expenditure during these restrictions could help in the longer term.

8 See if you can get refunds for cancellations

While most suppliers are trying their best to get deliveries to customers, they should offer you a refund if they need to cancel your order.

Commuter tickets

If you are a commuter ticket holder and you're now working from home, you could find yourself paying for transport you can't use.

The National Transport Authority is working with Irish Rail, Dublin Bus and Bus Eireann to find a solution. While no decisions have been made yet, options could include a three-month extension for annual ticket holders or a refund for monthly ticket holders.

Concerts and festivals

A ban on events of over 5,000 attendees has been confirmed until 31 August 2020, so many of the concerts and festivals due to take place in the coming months have been affected.

Event organisers are working to reschedule many of these shows, and original tickets are often valid for the new dates. If the new date doesn't suit you, you may be able to request a refund, but this could depend on getting in touch with the organiser before a specified deadline, so make sure to check with the event organiser as soon as possible.

International travel

The Department of Foreign Affairs (DFA) has advised against all non-essential travel overseas until further notice.

If you have a trip coming up soon, you will probably have to cancel it. If you decide to cancel your travel plans without a specific DFA warning against travel, you may not get a refund, and normal cancellation charges will apply. You can ask your travel agent, airline or tour operator if you can rebook for a later date or wait until the DFA travel advice is extended.

For more information on travel plans impacted by Covid-19, visit the DFA website, www.dfa.ie and the Citizens Information website, www.citizensinformation.ie



Package holidays

The following cancellation rights currently apply to package holidays:

- **Package holidays due to start before 29 May 2020**
You're entitled to a full refund without paying a termination fee. Travel companies can offer a refund by means of a credit note or a voucher, but you don't have to accept this. You can insist on getting a full refund.
- **Package holidays due to start after 29 May 2020**
You're still entitled to cancel your booking and get a refund, but you may have to pay a termination fee.
- **Package holidays due to start after 29 May 2020 that are already cancelled by the travel company**
You're entitled to a full refund without paying a termination fee to the travel company.

Flights

If your flight has been cancelled by the airline, you're entitled to one of the following:

- A refund of the cost of your ticket within 7 days.
- Re-routing to your final destination at the earliest opportunity.
- Re-routing at a later date at your convenience, subject to availability of seats.

If you have a flight booked for later this year but you no longer want to travel, generally you are not entitled to re-routing or a refund. However, some airlines may offer you alternatives such as a voucher or allow you to rebook your flight for later in the year. Check with the airline for more details.

You can find out more about your rights as an air passenger at www.flihtights.ie

9 Don't panic about your investments

If you have a pension (or an investment product), try to not panic if you see the value going down.

It's important to remember that pensions are long-term investments – and it's normal for the value of investments to go up and down. While it might be tempting to move investments now, it could be worth taking more of a long-term view, depending on what stage of life you're at.

If you're thinking about switching anything or taking money out of your pension, you should speak to your Financial Broker who can help you consider your options.

10 Watch out for scams

Fraudsters often take advantage of uncertain situations like the coronavirus outbreak to scam people out of their money.

Try to make sure you're aware of the different types of scams out there, how to recognise and report them, how to protect yourself and what to do if you think you've been the victim of a scam.

Recently, fraudsters claiming to be from the Department of Employment Affairs and Social Protection were calling people who lost their jobs due to the outbreak to ask for bank details to process the payments. However, the department never requests bank details from its customers by phone or on social media, only accepting them as part of a written application.

Other recent scams asked people to click on links in emails purporting to contain public health information. However, when people clicked on those links, malware was released on to laptops or other devices to extract usernames and passwords for email accounts and bank accounts.

The Central Bank of Ireland and the Competition and Consumer Protection Commission had the following advice to bear in mind in order to protect yourself from scams:

- Scammers are sophisticated, opportunistic and will use many forms of media, for example, phone calls, SMS, emails, websites, social media and more.
- Never provide personal information about yourself, never provide your bank details and never agree to send money until you are satisfied that the company you are dealing with is authorised and genuine. Before giving any personal information stop and think. Contact your service provider using the phone number on the official website. If in doubt, don't reply to SMS or emails.
- You should also be wary of unsolicited emails or messages claiming to come from your service provider asking you to update your payment information or to click a link to update your financial information. For example, you may get an email or text that claims to be from your bank, asking you to update your information or telling you there has been some unusual activity on your account. You may be asked for personal information relating to your account. This is a scam: your bank will never ask you for your details in this way.
- Always act carefully when engaging with websites, companies or individuals you're unfamiliar with. Research any website or company before buying anything and don't just rely on reviews from one website or forum, as they could be fake.
- Be aware of firms offering any financial services or products that appear too good to be true, like cash loans, money transfers, insurance products, pension products, investment opportunities and more.

11 Review your protection policies

Life insurance providers have introduced measures to help customers in these uncertain times. Royal London's initiatives are:

100-day Reinstatement Period

Royal London offers a reinstatement period of up to 100 days on all policies except Multi-Claim Protection Cover. This means that, in a time of crisis, customers can reinstate their policy within 100 days of missing a premium, without having to provide new medical evidence. This has been available on all new policies sold since September 2019 and in the majority of cases can also now be extended to older policies that require additional time to reinstate due to current circumstances. When the policy is reinstated, the outstanding premiums must be paid, and the policy will continue. If you have missed a premium and wish to discuss reinstatement options, get in touch.

Premium Deferral Option

Extra flexibility is called for in unprecedented times such as these. If you're struggling to pay the premiums on your Royal London policy, you have the option of a 3-month premium deferral. During this 3-month period, no premiums will be payable, but your cover will continue. At the end of the premium deferral period, the premium arrears due can be repaid at that point or spread out over the upcoming 12-month period. You can choose the option that best suits you. If you want to avail of a premium deferral, please get in touch.

Income Protection and Essential Activities Benefit

Royal London's Income Protection pays out in the event that you're unable to work through illness or injury for a continuous period longer than your deferred period. It does not provide cover for redundancy but does include an Essential Activities Benefit. This is an annual benefit payable if you suffer from personal incapacity, in line with the policy conditions, while unemployed. The benefit amount is the lower of €15,000 a year and your Income Protection benefit amount. Your premiums will be reduced during this time to reflect any reduction to your full cover, as long as you let us know about your change in circumstance. If you return to work within 12 months of switching to our Essential Activities Benefit, you can reinstate your full cover without having to provide any new medical evidence.

Future savings to be made on life cover

Talking to a Financial Broker about which life cover policy best suits your needs can be a great way to make sure you're not overspending on insurance, as they have access to a variety of policies and providers. It's important to make sure that adequate financial protection is in place to cover you and your family, especially if your financial or personal circumstances have changed.

If you were a smoker when you took out your policy, and it's been more than a year since you last smoked or used nicotine replacement products, you may be able to avail of a reduction in your premiums.

Get in touch with your Financial Broker who can give you more information.

With many people in Ireland reassessing their finances and looking for ways to cut costs, **having some tips on hand and knowing what you're entitled to can make a big difference.**

It's important in times like these to look after your physical and mental wellbeing, so being proactive about your finances if they're causing you any stress is an important part of keeping yourself safe and well. For more information on how to protect your finances, contact your Financial Broker.

All the information in this document is at 29/04/2020. Government and company policies concerning Covid-19 are subject to frequent changes, so make sure to check the relevant websites for the most up to date information. This document is for information purposes only, it is not to be construed as legal advice or financial advice. Royal London Insurance DAC accepts no responsibility for actions taken on foot of this document or for the content of external websites or information sources referred to within.

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