

**Name: Suzy**  
**Job: Hospital Doctor**  
Contract type: Employed  
Problem: Cardiac arrest



## How would you cope?

### Have you really ever thought about your current and future financial situation?

What would you do if your income stopped due to illness, accident or injury? Read Suzy's story and ask yourself – **"how would I cope?"**

**Suzy is a hospital doctor who works long hours including overtime. She is a single parent with two daughters and a dog.** They live in a large house with 15 years left on the mortgage.

Suzy loves her luxury car which is paid for on finance and has two further cars for her daughters one of whom is at university. Twice a year they go on holiday and regularly go out for meals. They have subscriptions to Sky, Netflix, Spotify and mobile phones, plus gym memberships for all three of them and private medical insurance. Suzy's daughters also attend a number of extracurricular activities such as horse riding, music lessons and karate.

Suzy enjoys her monthly pamper sessions which is a treat to herself.

**Suzy is solely financially responsible for her mortgage and her daughters, she has no additional sources of income and has £5,000 in easily accessible savings.**

### What if Suzy was taken ill or injured?

One day Suzy has a heart attack (cardiac arrest). She's been told she will not be going back to work for potentially 12 months due to complications. As a full time employee she is entitled to full pay for the first 6 months off work, after that it drops to half pay for 6 months\*. She will receive Statutory Sick Pay, which is £95.85 a week\* for up to 28 weeks.

### How long before Suzy is in financial difficulties?

**8 months**



#### Month 1-6:

All her financial commitments are covered by sick pay from her employer inclusive of any Statutory Sick Pay she is entitled to (however her pay will not include any allowance or payments linked to working patterns or additional work commitments e.g. overtime). During this period it is likely she will have to use her savings to cover any shortfall in income.



#### Month 7:

She receives half sick pay but no Statutory Sick Pay as she has now been off work for 28 weeks. She is going to have to use her savings to make up the shortfall in income which is now much greater.



#### Month 8:

**She is struggling to meet her financial commitments as her savings are gone, her half pay sick pay is not enough to cover her financial commitments.**

Suzy leads a more expensive lifestyle than the average UK family.

### What the UK average family spends in a week

†Family Spending – ONS 2020	Average	Suzy's weekly outgoings
Travel and transport	£80.20	£175.00
Recreation and culture (holidays, pets, tv, cinema etc)	£76.90	£37.50
Fuel and power	£79.40	£60.00
Other expenditure items (council tax etc)	£77.20	£200.00
Food and non-alcoholic drinks	£61.90	£100.00
Restaurants and hotels	£51.30	£40.00
Miscellaneous goods and services	£45.50	£100.00
Household goods & services	£40.80	£40.00
Clothing and footwear	£24.40	£50.00
Communications	£21.30	£25.00
Alcohol & tobacco	£13.00	£25.00
Health	£8.00	£40.00
Education	£5.70	£50.00
<b>TOTAL</b>	<b>£585.60</b>	<b>£942.50</b>

This financial summary excludes housing costs which need to be added (average UK rental is £149.60 per week, and average UK mortgage is £156.50 per week).

### If Suzy had income protection...

She could have a benefit paid to her which would cover her essential financial commitments. The benefit amount and deferment period would have been agreed when she chose her plan, allowing her to budget accordingly and focus on returning to full health, without the additional worry of how to pay the bills and keep a roof over her head.

### Universal Credit (UC)

Suzy is a single parent and is aged over 25, so will be assessed for UC based on her wealth. She has £5,000 in savings, so there is no UC reduction as her savings are below the £6,000 threshold that would mean a reduced amount. Suzy would receive a standard monthly allowances of £409.89. Her eldest child is aged 20 and at university, and UC support only is provided up to age 19. Suzy's second child is aged 15 and Suzy would receive £235.83 as the standard monthly allowance.

### Why Suzy should have income protection from Holloway Friendly?

**Suzy could have chosen a short term plan paying a claim for 1 or 2 years, or a long term plan set up for the period until her retirement,** these would cover her when she really needed it. She would start receiving her income protection benefit from the end of her deferment period which can be 1, 4, 8, 13, 26 or 52 weeks depending on the Plan she has chosen.

**For more information about Holloway Friendly and our products please speak to your Financial Adviser or visit [www.holloway.co.uk](http://www.holloway.co.uk)**

\*[www.gov.uk/employment-support-allowance/what-youll-get](http://www.gov.uk/employment-support-allowance/what-youll-get)  
Holloway Friendly is the trading name of The Original Holloway Friendly Society Ltd. Holloway Friendly is registered and incorporated under the Friendly Societies Act 1992, registered No. 145F. Registered office: Holloway Friendly, Holloway House, 71 Eastgate Street, Gloucester, GL1 1PW. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. FRN 109986.

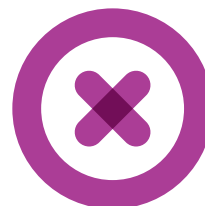
### How long will it be before Suzy is in financial difficulties?

**8 months**



#### What are her minimum financial commitments?

- Mortgage, home & car insurance
- Utilities – water, gas, electric and council tax
- Food
- Any contracts she is unable to cancel or reduce payments on e.g. mobile phone



#### What could be cancelled or reduced?

- Extracurricular activities
- Luxuries such as Sky, Netflix, alcohol and tobacco
- Clothing and footwear
- Private medical insurance
- Pet insurance