
Case study 2

GAP BETWEEN PENSIONABLE PAY AND TOTAL PACKAGE

An employer in the telecommunications industry with over 1 000 employees had a standard PHI benefit that covered 75% of monthly pensionable pay. But their **pensionable pay** was only 60% of TCTC. Employees were unaware of this gap, and when the first disability occurred, there were huge complaints because a monthly disability payment of 45% of their salary was not what they expected.

Subsequently, the company increased the monthly benefit to 90% of pensionable pay. It now uses communication to make employees aware of the gap between pensionable pay and their cost to company.

An employer in the
**telecommunications
industry**

