**FAMILY INCOME BENEFIT**

Meta Description: Family Income Benefit (FIB) is used to provide a tax-free income to a family if a member of the family dies during the term of the plan.

Keywords: Family Income Benefit, Family Income Protection, family insurance policy, life insurance for a family.

Introduction:

Family Income Benefit (FIB) was once the name of a government-funded benefit provided to families, but is now a life insurance policy that can be taken out on a family member. It is a way of replacing the member’s income for the family (with the added benefit of being tax-free) in the event of his or her death during the term of the policy.

When a Family Income Benefit policy (or a Family Income Protection plan) is taken out, the customer can choose the monthly amount to be received by his or her kin and the duration for which it is to be paid to his or her family. Depending on the amount chosen and duration of pay, the insurance company works out the cost of the cover of the family insurance policy.

Family Income Benefit vs Life Insurance:

How different is a Family Income Protection plan different from that of life insurance for a family? One of the key differences is that while life insurance pays out in a single lump sum, Family Income Benefit policies pay out over an extended period of time on a monthly basis. And because this is a distinctly differing mode of cashing out from life insurance policies, Family Income Benefit plans often work out to be much cheaper than taking out a life insurance on a member of the family.

Family Income Protection plans also make it easier to handle money. When a member of the family unexpectedly dies, how can one expect to cope with a single lump sum pay out? Apart from tackling the grief of losing a loved one, one cannot be expected to be in a sensible state of mind to manage money by investments and trust funds. On the other hand, a Family Income Benefit policy assures a fixed sum per month, thereby not burdening the receiver with additional choices to be made.

Conclusion:

In conclusion, a Family Income Benefit plan is cheaper and well-handled than life insurance. While policy quotes depend upon the member’s health, age, and other lifestyle factors – along with the monthly pay and duration – it is undoubtedly the best choice for your family.