



Supplemental Group Long Term Disability Insurance (LTD)



What Is Supplemental Group Long Term Disability (LTD) Insurance?

Supplemental Group Long Term Disability insurance is a way for you to increase your LTD insurance coverage over and above your basic employer-paid disability insurance.

Who Needs Supplemental LTD Insurance?

If you suffered a covered illness or injury and were unable to work, a standard Long Term Disability insurance policy would pay you 66⅔% of your salary. Note that in most cases, that benefit would also be subject to income tax. Additionally, in the event you would no longer be employed, you would need to pay for your own health insurance coverage.

Would 66⅔% minus taxes be enough money to help you pay your mortgage or rent, health insurance payments, childcare costs, debts, college tuition, etc.? If not, you might need Supplemental LTD insurance.

With Supplemental LTD insurance, you can increase your benefit percentage from 66⅔% up to 85%. The additional 18.34% benefit might not be subject to any income tax since you pay for it yourself. Check with your personal tax advisor for specifics. You can choose from two different plans:

1. Buy-Up to 85% Plan

This plan allows you to increase your basic Long Term Disability coverage up to 85% of your Pre-Disability Earnings.

- You will be covered for 85% of your pre-disability earnings for the duration of your disability as long as you qualify for and receive both Social Security Disability Income and the State Disability Benefit (Subject to the benefit duration period in the employer's Basic Group Long Term Disability benefit).
- If you don't qualify for and don't receive both Social Security Disability Income and the State Disability Benefit, the 85% benefit is limited to two years.
- When applying, you will need to answer medical questions. Coverage may be denied based upon your answers.
- If you are denied coverage, you will be automatically enrolled into 85% Accident-Only plan.

2. One-Year, 85% Accident-Only Plan

This plan allows you to increase your basic Group Long Term Disability coverage up to 85% of your Pre-Disability Earnings for covered disabilities caused by an accident.

- Benefit is limited to one year.
- Plan usually costs about \$1 per month.
- No medical questions asked.

What Causes Disabilities?

Many think that accidents and injuries cause most

disabilities. However, disability is more often caused by conditions such as back injuries, cancer, pregnancy, and heart disease.¹

What Are Your Chances of Needing Disability Insurance?

Unfortunately, your chances are higher than you may think.

- Just over 1 in 4 of today's 20-year-olds will experience a long term disability before they retire.²
- You have a 1 in 8 chance of becoming disabled for 5 years or more during your working career.³

¹ Council for Disability Awareness, www.disabilitycanhappen.org/overview

² <https://disabilitycanhappen.org/diam>


³ www.protectyoubetter.org/Research-Center/Disability-Insurance.aspx

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