

# DO YOU HAVE ENOUGH DISABILITY INSURANCE COVERAGE?

The examples below might help you decide.

Co-workers Mark and Joe are both 39 years old and earn \$45,000 per year.<sup>1</sup> They receive company-paid Basic Long-Term Disability (LTD) insurance that pays a percentage of their salary if they were to become unable to work due to a covered illness or injury.

Their plan also offers **optional LTD Buy-up coverage** – also known as Supplemental LTD – that covers **more of their pay vs. the Basic LTD plan.**



During annual enrollment, Mark decides not to enroll in the LTD Buy-Up plan, figuring he doesn't need the extra coverage because he's young and healthy.

While Joe is also in good health, he doesn't take it for granted. He enrolls for Buy-Up coverage to help protect more of his paycheck if a disability prevented him from working.

**The chart below shows how Mark and Joe's enrollment decisions might affect their future disability income (based on their current salary).<sup>1</sup>**

	Mark	Joe
Annual Salary	\$45,000	\$45,000
Monthly Pre-Disability Salary	\$3,750	\$3,750
LTD Plan Election	Basic Only	Basic + Buy-Up
LTD Coverage Level % of Monthly Salary <sup>2</sup>	40%	67%
Monthly LTD Cost	\$0	\$12.75
Estimated Monthly LTD benefit if disabled	\$1,500 <i>100% of benefit is taxable</i>	\$2,513 <i>Portion of benefit is taxable<sup>3</sup></i>

**Because he enrolled for Buy-Up coverage, Joe's Long-Term Disability benefit would be over \$1,000 higher than Mark's.**

Like Mark and Joe's employer, Stanley Black & Decker offers an LTD Buy-Up option to help employees increase their financial protection if they become disabled due to a covered illness or injury.

For details on the plan, including coverage, costs, exclusions and limitations, see the attached benefit summary, or visit the Benefits Enrollment site on uCentral.

**StanleyBlack&Decker**



**Offered by: Life Insurance Company of North America**

<sup>1</sup>Fictitious example for illustrative purposes; <sup>2</sup>Maximum Benefit: \$15,000 per month; <sup>3</sup>Under current IRS rules, where disability benefits are paid for by both employer and employees, a portion of the benefit, equal to the portion of coverage cost paid for by the employer, or on a pre-tax basis, over the past three policy years, is taxable. This portion is determined by the employer.

All group disability insurance policies and benefit plans contain exclusions and limitations. For costs and complete details of coverage, see the attached benefit summary and review your plan documents. Disability plans are insured or administered by Life Insurance Company of North America, except in NY, where insured plans are offered by Cigna Life Insurance Company of New York. Policy Form: TL-004700 All Cigna products and services are provided exclusively by or through operating subsidiaries of Cigna Corporation. The Cigna name, logo, and other Cigna marks are owned by Cigna Intellectual Property, Inc.

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