




# What If You Couldn't Be a Lawyer?

**How would you cope if you were too sick or injured to work?** Nearly 1 in 4 individuals<sup>1</sup> will experience a disability, and the average one lasts nearly three years.<sup>2</sup>

You may have Group Long Term Disability (LTD) paid for by your employer. A typical plan replaces 60% of base salary and excludes incentive compensation such as bonuses. Like many people, you may need to supplement your Group LTD with individual disability income insurance (IDI) in order to get the level of income replacement you need. IDI is non-taxable if premiums are paid with after-tax income, and can protect both your income *and* your ability to repay student loans.

## If This Were You, Which Option Would You Choose?

	Group LTD	Group LTD & IDI with Student Loan Protection
<b>HEALTHY</b>		
 <b>Income</b> \$122k + \$11k bonus	\$133,000	\$133,000
<b>After-Tax</b> <sup>3</sup>	<b>\$99,750/year</b>	<b>\$99,750/year</b>
<b>DISABLED</b>		
 <b>Group LTD</b>	\$73,200	\$73,200
<b>After-Tax</b> <sup>3</sup>	\$54,900	\$54,900
<b>Individual DI (IDI)</b> \$1,500/month	\$0	\$18,000
Student Loan Protection <sup>4</sup>	\$0	\$10,440
	+	+
<b>After-Tax Benefits While Disabled</b>	\$54,900/year	<b>\$83,340/year</b>
 <b>NET INCOME REPLACEMENT %</b>	55%	84%

Just \$354/year<sup>5</sup> for so much income replacement!

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## Advantages of Individually-Owned DI

- **Tax-Free Benefits:** Paying the premium yourself, with after-tax dollars, results in benefits received being non-taxable.
- **More Compensation Covered:** Individual DI covers incentive compensation (bonus, commissions, etc.) while Group LTD plans typically don't.
- **Portability:** You can take coverage with you when you change employers (not usually the case with Group LTD plans).
- **Coverage Level:** You determine how much coverage you'll apply for. Group LTD plans frequently specify a maximum monthly benefit.
- **Tailored to You:** Options to customize to your specific circumstances rather than one-size-fits-all for a group.

## Do you have the coverage you need today to protect your tomorrows?

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<sup>1</sup> U.S. Social Security Administration *Fact Sheet*, October 2015.

<sup>2</sup> Gen Re, U.S. *Group Disability Rate & Risk Management Survey 2012* based on claims closed in 2011.

<sup>3</sup> Assumes 25% tax rate.

<sup>4</sup> Reimburses student loan payment of \$870/month towards \$76,000 total student loan debt.

<sup>5</sup> 30-year-old male, occupation class 6, 90-day elimination period, level premium, generic rates on Provider Choice Select Package Policy with To age 65 benefit period, Basic Partial Rider; Two-Year True Own-Occupation Definition of Disability, Four-Year Delayed Cost of Living Adjustment Rider; Student Loan Protection Rider for \$870/month with 10-year term and 90-day elimination period. Twenty-four-month mental and/or substance-related disorders limitation and discount except in VT.

Individual disability income policy forms 181D and 181UD underwritten and issued by Berkshire Life Insurance Company of America (BLICOA), Pittsfield, MA. BLICOA is a wholly owned stock subsidiary of and administrator for The Guardian Life Insurance Company of America, New York, NY. Product provisions and availability may vary by state. Optional riders are available for an additional premium.

In New York: These policies provide disability insurance only. They do not provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department. For policy form 181D, the expected benefit ratio is 50%. For policy forms 181UD, 181GI, 181UD-F, and 181GI-F, the expected benefit ratio is 60%. The expected benefit ratio is the portion of future premiums that the company expects to return as benefits, when averaged over all people with these policy forms.

A twenty-four month mental and/or substance-related disorders limitation is included on all Provider Choice Select Package policies. The limitation does not apply to any policies issued in the state of Vermont, regardless of occupation nor to those issued as the result of a future increase or purchase option when exercised from a policy that did not have such a limitation. The Student Loan Protection Rider provides coverage for a period of ten or fifteen years from the Policy Date. When a qualifying total disability occurs, benefits are only payable during the remaining portion of the ten or fifteen-year term that has not elapsed when the disability begins. The Cost of Living benefit is not necessarily protection against increases in the cost of living.

This flyer is provided for informational purposes only and should not be considered tax or legal advice. You should consult with your tax, legal, or accounting professional regarding your individual situation.



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