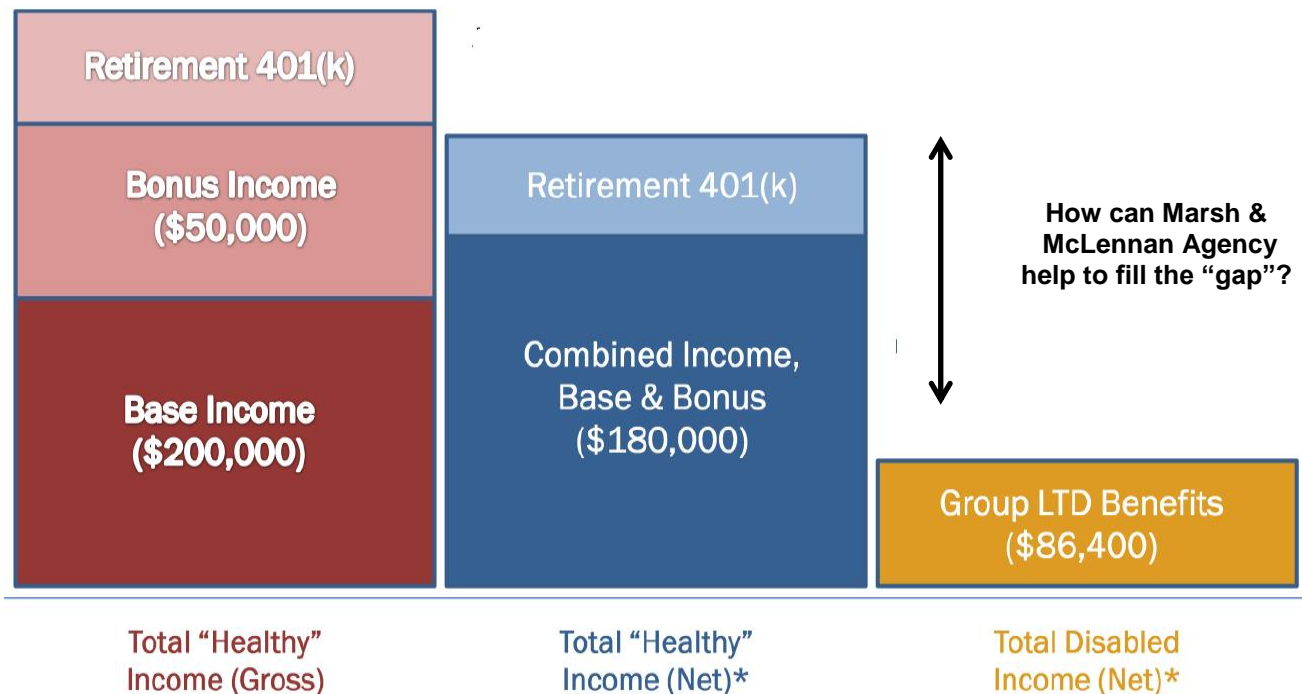


## Supplemental Individual Disability Income Protection

- Employer Sponsored Group Long Term Disability plans provide important basic income protection to employees.
- The group plan design, however, may result in inadequate income replacement for higher wage earners if the monthly benefit maximum limit prevents a comparable replacement rate.
- A gap in coverage may also exist for those employees who earn variable income if the group policy definition of earnings does not include this income.
- If the group long term disability plan is employer paid and the premiums are not imputed, the monthly benefit, if received, is taxable.
- A supplemental individual disability policy provides an additional monthly benefit to help fill the gap from the group program.
  - Premium discounts from retail pricing
  - Guarantee Standard Issue benefit amounts are available if minimum participation requirements are met
  - Variable income is protected under the definition of earnings



**Note: Illustration assumes 28% tax rate and a taxable Group LTD of 60% to \$10,000 covering base compensation only.**

\* The information provided is not written or intended as tax or legal advice and may not be relied on for purposes of avoiding any Federal tax penalties. Marsh & McLennan Agency, its employees and representatives are not authorized to give tax or legal advice. Individuals are encouraged to seek advice from their own tax or legal counsel.