

Estimating your disability income coverage needs



Your employer makes employee benefits available to address your varied financial needs. One of the most valued benefits offered by your employer is disability income coverage.

About Disability Income Coverage

Disability income coverage protects a percentage of your income if you have an illness or injury and are unable to work for a prolonged period of time.

A disabling illness or injury may be more common than you might think. Being disabled could involve an illness (such as heart disease, cancer or arthritis) or an injury (such as a back sprain, tendonitis or carpal tunnel syndrome). In other words, anything that keeps you from being able to do the essential duties of your occupation.

If you are disabled and unable to work due to illness or injury, disability income coverage provides you with a percentage of your salary after a specified waiting period. At the same time, the insurance company works closely with you and your physicians during recovery, helping you to recuperate and make the transition back to work.

How Much Disability Income Coverage do You Need?

To evaluate your disability income coverage needs, consider the following:

- **Your Lifestyle:** Will your current savings and resources cover your monthly expenses? Will you be able to make your current mortgage or rent payments? Will you be able to pay your credit-card bills and other living expenses?
- **Your Family:** Do you have a family, parent or others who rely on your income? Do you live alone and have no one to help you financially if you become disabled?
- **Your Work Expenses:** Are there expenses, such as commuting or wardrobe, that will be reduced or eliminated if you are not working?
- **Your Medical Expenses:** What new expenses might be added to your budget? How will you pay the costs related to your disability that aren't covered by your health plan?
- **Other Personal Needs:** What other expenses might you anticipate?

Disability Income Coverage Calculator:

Many factors enter into the process of determining the amount of coverage you need. The calculator on the back of this page can help you start to make wise coverage decisions. (This is for educational purposes only – you may want to consult with a financial adviser when making a decision.)

ESTIMATING YOUR DISABILITY INCOME INSURANCE COVERAGE NEEDS

Current Monthly Expenses

Mortgage/Rent Payment	\$ _____
Utilities	\$ _____
Food & Clothing	\$ _____
Dependent Care (e.g. daycare for children, care for elder relatives)	\$ _____
Insurance premiums (e.g. life, auto, home)	\$ _____
Transportation costs (transit fares or parking, fuel and car maintenance)	\$ _____
Debt Payments (credit cards)	\$ _____
Other expenses	\$ _____
Total Monthly Expenses	\$ _____

Current Earnings and Existing Disability Income Benefits

Income	
Gross Basic Earnings (annual)	\$ _____
Additional Annual Income (e.g. tips, commissions, part-time work)	\$ _____
Total Gross Annual Income	\$ _____

Estimate taxed amount by doing the following:

Assume a 28% tax rate and multiply the Total Gross Income by 0.28
or if you know your tax bracket, use that percentage instead

$$\begin{array}{r} \times \quad .28 \\ \hline = \$ \end{array}$$

Estimate your after-tax yearly income by doing the following:

Write in your Total Gross Annual Income here

\$ _____

Write in the tax amount from above, then subtract

- \$ _____

This gives your Estimated Net Annual Income

= \$ _____

Now divide your Estimated Net Annual Income by 12

÷ 12

This gives your Estimated Monthly Net Income

= \$ _____

Calculate your current group disability income benefit, if any

Monthly Net Income	\$ _____
Benefit %	x _____%
Total	= \$ _____

Let's Determine Your Current Disability Income Coverage

Do you have Group Long-Term Disability from your employer? Yes / No

If yes, write in the monthly benefit (use table at right to calculate)

\$ _____

If you have any individual disability insurance, write in that monthly benefit here

+ \$ _____

Total Monthly Disability Income Benefit*

\$ _____

Now subtract this Total Monthly Disability Income Benefit from your Total Monthly Expenses

Total Monthly Expenses (calculated above)

\$ _____

Total Monthly Disability Income Benefit

- \$ _____

Estimated Income Shortage/Surplus

= \$ _____

If the number you just calculated is a positive number, good for you. It appears you may have adequate Disability Income coverage. If it is a negative number, however, you may need additional Disability Income protection.

* Note: Disability income benefits may be offset by other income and by other benefits related to your disability. Therefore, this total represents an estimate of benefits and income from all sources during a disability. This sheet is intended to help you estimate your individual amount and does not take into consideration family income. You may wish to consult a financial adviser before purchasing additional coverage.

The insurance provided by your employer makes a significant contribution to your financial well-being. But depending on your personal financial circumstances, you may need to supplement this coverage with additional disability income coverage to meet your specific needs. For more information, consult your employer or financial professional.

www.ing.com/us www.ingemployeebenefits-us.com

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