

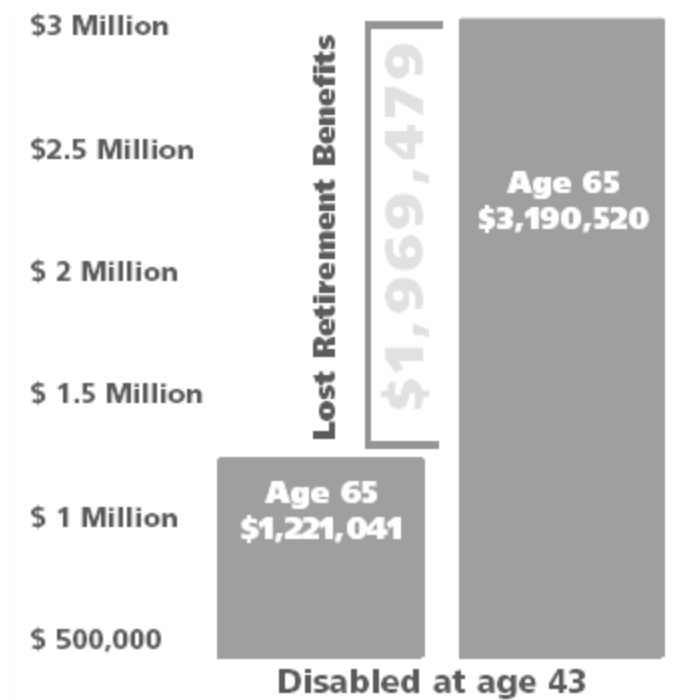
Benefit Focus

Executive Disability Solutions

Disability & Retirement Savings

A total disability can have a devastating impact on an employee's pre-retirement income and post-retirement lifestyle. Most group long-term disability (LTD) programs pay only 60% of an employee's salary, and also fail to protect retirement plan contributions that would have occurred over the employee's working life.

Disability plans can be restructured to offer employees coverage that addresses non-salary compensation and concerns about retirement. With a typical corporate long-term disability plan, for example, the employee illustrated will have a considerable reduction in income, and at age 65 will receive 61% less in retirement benefits from the individual's 401(k) plan.



Example: Employee disabled at 43 years old. Pre-tax compensation: \$200,000. After tax: \$120,000. 401(k) balance at age 43: \$150,000 with max-out contribution of \$16,500 per year. Includes company match (.50 up to 6%) at an estimated 10% return on investment. Qualified plan limits increased yearly for inflation.