



Supplemental Disability Income Protection

How much income protection is enough?

In determining your total income protection needs, you need to consider the following:

Tax-free benefits

Since you pay the premiums, supplemental income protection benefits are not taxable as income.

Discounted rates

By purchasing coverage as part of an employer group, you receive substantial discounts not available to you on your own.

Reliable coverage

Individual policies offer reliable coverage provisions that cannot be changed as long as premiums are paid on time.

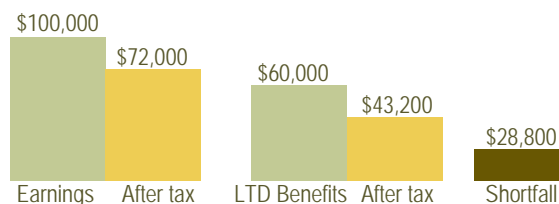
Portability

Will you ever change jobs? Your group disability coverage may not be portable, so the coverage can end if you leave the company. This could leave you unprotected while between jobs or if your new employer has no group plan. You own the supplemental policy and can take this coverage with you if you change jobs.

Have you considered taxes?

Since your employer pays the premium for your basic group Long Term Disability insurance, benefits you receive from that program would be taxable under current IRS law.

Will 60% of your take-home pay be enough during a disability?



Example assumes that Group LTD covers 60% of base income with a 28% tax level.

Could you keep saving?

During a long term disability, your 401(k) contributions and employer matches would probably stop. Would you have enough income under your current plan to keep your saving strategy on track?

Duration of disability	Lost 401(k) contributions	Projected value at age 65 ³
5 years	\$15,000	\$55,840
10 years	\$30,000	\$97,567
15 years	\$45,000	\$128,748
25 years	\$75,000	\$169,459

³ Assumes age 40; 5% contribution of pre-disability income to 401(k) with employer match of 50%; 6% annual return on investment; and \$40,000 gross annual income.

