

The Tax Choice Long Term Disability (LTD) plan for eligible faculty and staff provides

“Basic monthly earnings” means the monthly regular rate of earnings in effect prior to the date disability begins. It does not include bonuses, overtime pay, private practice distributions, royalties or any other extra special compensation. “Other income benefits” means any benefit which you are eligible to receive from Workers’ Compensation, Social Security, statutory disability law, salary continuance, other group insurance plan or similar arrangement.

You may choose between a or long term disability benefit option. The University pays the premium cost regardless of which option you choose. The difference between the two options is (1) the amount of long term disability benefits you will receive if you become disabled, and (2) the amount of income taxes you will pay.

Under the option:

You would receive 66.67% of your basic monthly earnings less other income benefits up to a maximum benefit of \$20,000 per month, if you were to become disabled and could not work,

The LTD premium paid by the University will be charged to you as imputed income and you will not pay the income taxes on the premium, and therefore,