

Individual Disability Income insurance

Are you  
protecting  
enough of  
your income?

# Group disability coverage — a great start, but may not be enough.

You work hard and have a lot of accomplishments to show for it — your house, savings, charitable donations, etc. But, are you protecting the one thing that makes those accomplishments possible — your income? After all, you want to assure the foundation of your financial future is strong.

The group long-term disability (LTD) coverage you have through work is a great employee benefit and provides a good start for protecting your income. If you become too sick or hurt to work, the benefit payments work like a “paycheck” to help cover some of your everyday living expenses. But, is it enough?



## Did you know?

### Things to consider about group disability insurance...

- The benefit payments you receive may be taxable. That means you face even more of an income replacement gap.
- It typically doesn't cover any bonus or incentive income you earn.
- Those with higher incomes often find the benefits aren't enough to cover important financial obligations.
- The benefits replace a percentage of income (typically 60 percent before taxes) up to a maximum limit, usually \$5,000. Because of this cap, the more you earn, the lower the percentage of your income that's replaced.

## How the benefit cap affects what you could receive

Sample income replacement percentages: 60% to \$5,000				
Yearly income	Before tax		After tax	
	Group LTD monthly benefit	Percentage of income replaced	Group LTD monthly benefit	Percentage of income replaced
\$50,000	\$2,500	60%	\$1,750	42%
\$75,000	\$3,750	60%	\$2,625	42%
\$100,000		60%		42%
\$150,000		40%		28%
\$200,000	\$5,000	30%	\$3,500	21%
\$300,000		20%		14%
\$400,000		15%		11%

Assumptions: 60% group LTD coverage with a monthly benefit cap of \$5,000 with a 30% tax bracket for federal, state and FICA. This is a hypothetical example; for illustrative purposes only.

## Don't think your group coverage is enough?

You can protect more of your income by supplementing your existing coverage from work with individual Disability Income (DI) insurance from Principal®.

This additional coverage offers you:

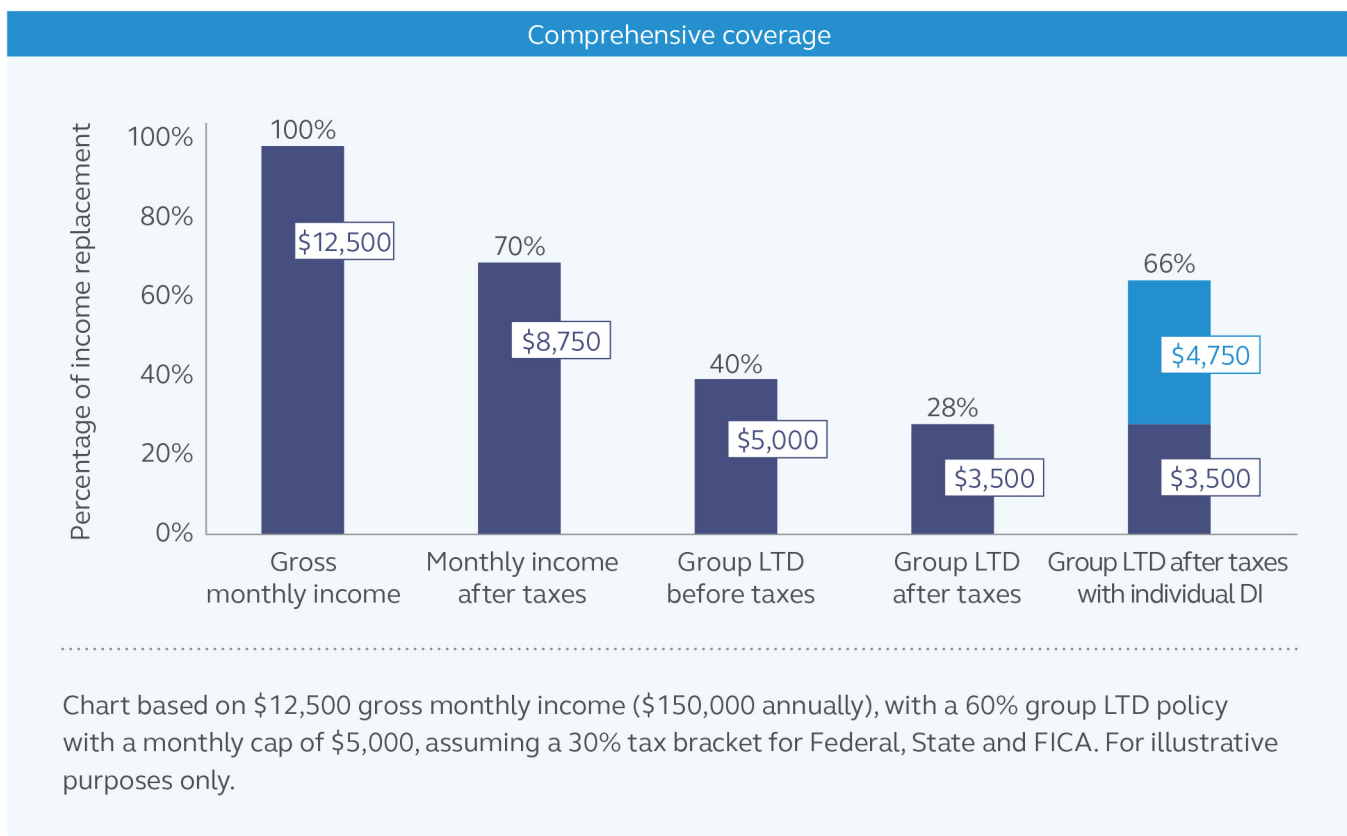
- › The ability to replace up to 70% of your income since the individual coverage wraps around the existing group coverage.
- › Bonus and incentive pay may be covered.
- › Income tax-free benefit payments.\*
- › A policy you own that goes with you wherever your career takes you.



### What about your retirement savings?

Not earning an income affects more than being able to pay today's bills. It also can put retirement saving on hold. DI Retirement Security from Principal is a way to keep your retirement savings on track during a disability.

## How supplementing group coverage makes a big difference



 [Learn more](#) |

\* If premiums are paid with after-tax dollars.





[principal.com](http://principal.com)

Disability insurance from Principal® is issued by Principal Life Insurance Company, Des Moines, Iowa 50392-0002.

This is an overview of the benefits of disability insurance, but there are limitations and exclusions. For cost and coverage details, contact your Principal financial representative.

DI Retirement Security is issued as a non-cancelable, guaranteed renewable, individual disability income insurance policy. It is not a pension or retirement program or a substitute for such a program. DI Retirement Security is not available to anyone who is over insured based on Principal's current Issue and Participation guidelines. It may not be available or the benefit amount may be reduced for certain occupations if there is existing DI coverage with lifetime benefits. Additional underwriting guidelines may apply.

This information is provided with the understanding that Principal® is not rendering legal, accounting or tax advice. You should consult with appropriate counsel or other advisors on all matters pertaining to legal, tax, or accounting obligations and requirements.

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