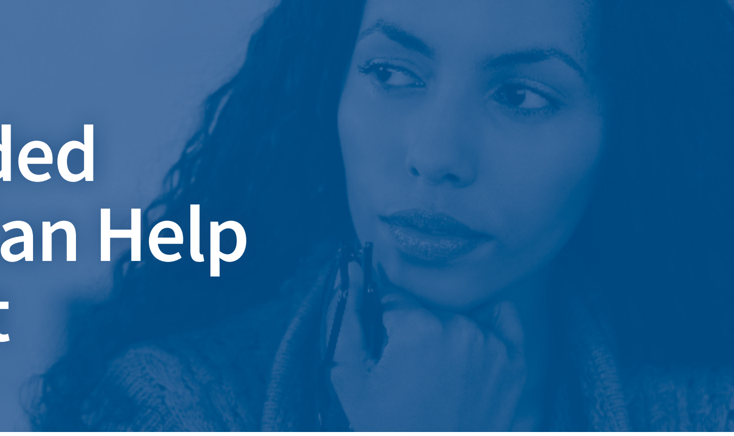
How Employer-Provided Disability Insurance Can Help When SSDI Falls Short



The following is based on articles written for the Council for Disability Awareness blog by benefits expert Ted Norwood, General Counsel & Director of Representation at Integrated Benefits Inc.

- According to the Council for Disability Awareness, half of those who don't work for the government have some form of employer-paid disability insurance (short-term disability only, long-term disability only, or both STD and LTD). These benefits are important because 25 percent of today's 20-year-olds will at some point miss a year or more of work due to medical problems.
- As companies become leaner, individual employees become even more vital to the organization's success and more difficult and expensive to replace. In the long term, losing employees is difficult. Given that, an increasing number of employers recognize the value of employee well-being. In fact, many companies now recognize the value of caring for employees as people, not just assets. Providing private disability insurance benefits in the workplace is an important way to care for employee financial health.
- About half of workers in the private sector do not have income-replacement benefits. Instead, if they are unable to work for an extended period of time, they often must rely on the Social Security Administration's Disability Income (SSDI) program—if they qualify—to partially replace their salaries.

Facts About SSDI

- You must have worked to qualify and made Social Security contributions. (Teachers often do not make Social Security contributions.)
- You must qualify medically and vocationally.
- SSA does not consider income in its evaluation of disability.
- The SSA only evaluates whether an individual could perform the function of a job that exists.
- SSDI Application Process—The wait is long (15 months or more), it can be challenging to get approved, and it lacks good recovery resources.

Group long-term disability policies protect employees from the disadvantages of SSDI.

- These LTD policies usually start with an own-occupation period of two years, allowing the employee to receive benefits immediately on completion of the elimination period (3 or 6 months).
- Group LTD policies usually pay higher benefits than SSDI does. They typically treat SSDI benefits as an "offset" which means the additional coverage is available at an affordable price.
- Group insurers typically require claimants to apply for SSDI benefits—but most of them will also provide a lawyer to assist with the applications.
- Group LTD policies have better opportunities to provide vocational rehabilitation and return to work services.

To learn more, read the full articles by Ted Norwood, General Counsel & Director of Representation at Integrated Benefits Inc.:

The basics of the Social Security Disability Income Program

Why relying on SSDI is better than nothing, but far from optimal

SSDI lacks rehabilitation resources

Let's talk benefits

COUNCIL FOR DISABILITY AWARENESS