

Long Term Disability Myth #1:

The Government has you covered.

There is no better time than now to debunk the most commonly held Long Term Disability (LTD) Insurance myth amongst employees of federal government agencies – "the government has me covered".

If you are relying fully on the government for LTD Insurance coverage, consider the following:

- 1** You are not covered for LTD Insurance in the first 18 months of employment.
- 2** There is an eligibility requirement. Your disabling illness or injury must be expected to last at least a year. So if you suffer from an accident or illness with a recovery period of less than a year, you will not qualify for the federal disability benefit.
- 3** You are still required to file for your disability benefit from Social Security - and your coverage is then reduced by any social security benefit you receive.
- 4** FERS employees: you will receive 60% of your salary for the first year of work (which is taxable), and 40% of your salary (which is taxable) - until you are eligible for normal retirement.
- 5** CSRS employees: you will receive 40% of your salary (which is taxable) - until you are eligible for normal retirement

FACT: Provided you have been employed for more than 18 months AND your disability is expected to last for at least a year AND you only require 40% of your income (reduced further for taxes), the government has you covered – but for most employees additional LTD insurance protection is necessary to cover their everyday expenses.

