

Get the lowdown on long-term disability

It's easy to build a disability solution from Principal® that fits clients of any size, with any budget. Start with our flexible disability insurance, then add extra provisions to get just the right mix for your client.

One small word makes a big difference

Just one word can determine when—or if—an employee qualifies as disabled. That word is “or.” Employees qualify for benefits by meeting either of the following criteria:

Unable to perform the majority of substantial duties of their own occupation

or

Unable to earn 80% of their pre-disability income

This means employees who are not **totally disabled** may still qualify from day one.

How are benefits paid?

Traditional (employer-paid) coverage:

Percentage of salary

Voluntary (employee-paid) coverage:

Percentage of salary or set benefit amounts purchased in increments

Here's what Principal long-term disability (LTD) offers:

A proactive and flexible approach



Benefit design flexibility



Incentives for rehabilitation and return to work



Knowledgeable disability management services teams that monitor claims, help control costs, and help disabled employees return to work

A comprehensive, rehabilitation-focused contract

- Designed to encourage rehabilitation and return to work.
- **Work Incentive Benefit.** Offers a 12-month work incentive benefit for employees who return to part-time work. In many situations, disabled employees working part-time may receive up to 100% of their pre-disability pay with income from return-to-work earnings, disability benefits, and other income sources.
- **Temporary Recovery During Elimination Period.** Protects disabled employees who recover during the elimination period and become disabled again from the same or a different cause.
- **Recurring Disability Provision.** Protects disabled employees who recover during the benefit payment period and become disabled again from the same or related cause. If the recovery lasts six months or less, benefit payments begin again on the day the disability recurs.

Standard and optional features

- 0, 1, 2, 3, or 5-year and end-of-benefit duration own occupation periods
- Reasonable Accommodation Benefit
- Medical Premium Supplement
- Return-to-Work Child Care Benefit
- Rehabilitation Incentive Benefit
- Spouse Rehabilitation Benefit
- Survivor Benefit and Accelerated Survivor Benefit
- Activities of Daily Living (ADL) Benefit

Traditional and voluntary long-term disability product features

Policy provision	Standard	Optional
Eligible employees	Active, full-time employees who work 30+ hours a week, except seasonal, contracted, part-time, or temporary employees. Employees must reside in the U.S.	Eligibility hours of less than 30 hours a week may be available upon request.
Definition of disability	“Or” definition with 2-year Own Occupation	Total, Partial, or Total with Social Security Approval. Own Occupation Period: None, 1, 3, or 5 years, or end of benefit duration
Benefit percentage or amount	Traditional and voluntary percent of salary: 60% Voluntary increments: \$100	Traditional and voluntary percent of salary: 40% and 50% Traditional percent of salary: 66 2/3% Voluntary increments: \$250
Elimination period	180 days	Options from 3 to 12 months, or 90 to 365 days
Work incentive benefit	12 months	3, 6, or 24 months
Temporary recovery during elimination period	Elimination period must be satisfied within a period of time that’s twice as long as the number of days in the elimination period	No additional options
Recurring disability provision	6 months	No additional options
Benefit duration	Reducing Benefit Duration to age 65	To Social Security Normal Retirement Age (SSNRA), 2 year, 5 year, or 65/5/70
Maximum benefit	\$6,000 per month	Traditional: Up to \$15,000 Voluntary: Up to \$10,000
Minimum benefit	Traditional and voluntary: \$100 monthly	\$50, greater of 10% of primary monthly benefit, or \$100
Coordination of benefits	Direct: Full family	Direct: Primary only 70% All Sources: Full family
Pre-existing conditions exclusion	Traditional: 3/12 Voluntary: 12/12	Traditional: 6/12, 6/24, 12/12, 3/3/12, 3/6/12, 6/12/24, or 24/24 Voluntary: 24/24
Replacement of prior plan	Included for transfer cases	No additional options
Indexing	Consumer Price Index (CPI) to maximum of 10% annually	Can be removed upon request
Survivor benefit	3 months net benefit	3 months gross, 6 months gross, 6 months net, or none
Accelerated survivor benefit	Standardly included	Can be removed upon request
Reasonable accommodation benefit	Up to \$2,000 per claim	Up to \$5,000 per claim
Rehabilitation incentive benefit	5% increase in benefit percentage for up to 12 months	Can be removed upon request
Mental health/drug and alcohol abuse limitation	24 months	Traditional: 12 or 36 months Voluntary: 12 month
Special conditions limitations	Paid the same as any other disability	12, 24, or 36 months

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