

A **Quick Reference** Guide
for Financial Professionals

Issue and Participation Limits

Disability Income Insurance
Quick Reference Guide

Insurance Strategies

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NOT FOR USE WITH THE PUBLIC.**



We'll help you get there.®

MassMutual Issue and Participation Limits

Use No-Group LTD Issue Limits for:

- Cases with no Group LTD in-force – individual and multi-life

Use Participating with Group LTD Issue and Participation Limits for:

Non-Taxable with Group LTD

Radius	Up to and including \$70,000
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MaxElect	Up to and including \$100,000
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Taxable with Group LTD

Radius	Up to and including \$100,000
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MaxElect	Up to and including \$100,000
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Maximum MassMutual Issue Limit

- In-force MassMutual coverage in combination with the new MassMutual insurance being applied for cannot exceed MassMutual's Maximum Issue Limit

Maximum Participation Limit

- In-force coverage (individual, association, or Group LTD) with another company (or companies) in combination with the new MassMutual insurance being applied for cannot exceed MassMutual's Maximum Participation Limit. Additionally, we will never issue more than the Maximum Issue Limit

Issue and Participation Limit Charts

Disability Income (DI) I & P Limits. pages 2-4

- A. USXX Chart (all states except CA, FL and Puerto Rico)
- B. Florida Chart
- C. California Chart
- D. Puerto Rico Chart

DI Limits by Income Level pages 6-19

BOE I & P Limits page 22

Buy-Sell I & P Limits pages 23-24

We continue to segment limits based on available products; when reviewing the chart be certain to look for the product, age and occupation class to determine the maximum issue and participation limit available.

A. USXX Chart (all states except CA, FL and Puerto Rico)

Individual, Association and Multi-Life Radius[®], and MaxElect[®]

Maximum Issue and Participation Limits

Occ Class	USXX Maximum MM Issue Limit		USXX Maximum Participation (existing GLTD and other DI coverage) Limit	
	Ages		Ages	
	18-60	61+	18-60	61+
5A/4A	\$20,000	\$10,000	\$30,000	\$10,000
5P/4P	17,000	10,000	25,000	10,000
3P	15,000	10,000	20,000	10,000
3A	10,000	10,000	15,000	10,000
2A/A	8,000	5,000	10,000	5,000

B. Florida Chart

Individual, Association and Multi-Life Radius[®], and MaxElect[®]

Maximum Issue and Participation Limits

Occ Class	Florida Maximum MM Issue Limit		Florida Maximum Participation (existing GLTD and other DI coverage) Limit	
	Ages		Ages	
	18-60	61+	18-60	61+
5A/4A/4P/3P	\$15,000	\$10,000	\$20,000	\$10,000
3A	10,000	10,000	15,000	10,000
2A/A	8,000	5,000	10,000	5,000

C. California Charts

Individual, Association and Multi-Life Radius®

Maximum Issue and Participation Limits

Occ Class	California Maximum MM Issue Limit		California Maximum Participation (existing GLTD and other DI coverage) Limit	
	Ages		Ages	
	18-60	61+	18-60	61+
5A/4A/4P/3P	\$15,000	\$10,000	\$20,000	\$10,000
3A	10,000	10,000	15,000	10,000
2A/A	8,000	5,000	10,000	5,000

D. Puerto Rico Chart

Individual, Association and Multi-Life Radius®, and MaxElect®

Maximum Issue and Participation Limits

Occ Class	Puerto Rico Maximum MM Issue Limit		Puerto Rico Maximum Participation (existing GLTD and other DI coverage) Limit	
	Ages		Ages	
	18-60	61+	18-60	61+
5A/5P/ 4A/4P/3P	\$15,000	\$10,000	\$20,000	\$10,000
3A	10,000	10,000	15,000	10,000
2A/A	8,000	5,000	10,000	5,000

Participation with Group LTD Coverage

Participation with Group LTD limits allows for flat replacement ratios for all cases with Group LTD.

Radius®

Income Range	Non-Taxable Participation Limit Percent*	Income Range	Taxable Participation Limit Percent*
\$16,000-70,000	Individual Non-taxable Participation Limit	\$16,000-100,000	Individual Taxable Participation Limit
\$70,000+**	65%***	\$100,000	80%

* Subject to our maximum published issue and participation limits based on age and occupation class.

** For incomes above \$70,000 with ABI Rider use the 60% Replacement Ratio.

*** Not available with Radius 06 Guaranteed Standard Issue (GSI) – use MaxElect Chart.

MaxElect®

Income Range	Non-Taxable Participation Limit Percent*	Taxable Participation Limit Percent*
\$16,000-100,000	Individual Non-taxable Participation Limit	Individual Taxable Participation Limit
\$100,001+	60%	80%

* Subject to our maximum published issue and participation limits based on age and occupation class.

Issue and Participation Limits

Non-Taxable and Taxable Benefit Tables

Earned Income – salary, wages, commissions, bonus and business income after expenses.

Base Monthly – maximum basic monthly benefit.

Social Insurance Rider Monthly – maximum Social Insurance monthly benefit.

Individual Issue Limit – maximum issue available through MassMutual (deduct in-force individual or association coverage).

Participation with Group LTD Limit

This is the maximum amount of disability income coverage in which MassMutual will share a risk with Group LTD; however, we will never issue more than the Maximum Issue Limit. (Example: Class 4P, not in CA/FL/PR, earning \$500,000 – eligible maximum is \$25,000 – has LTD in-force of \$5,000. While client is eligible for an additional \$20,000, the most we will issue is \$17,000 as this is our maximum issue limit).

Rules

1. Minimum income of \$16,000 required for all products
2. The Social Insurance Rider is required:
 - For occupation classes 2A or A.
 - Within state cash sickness states for all 5A/5P, 4A/4P and 3A/3P occupation classes with a 60-day wait
3. Social Insurance Rider cannot be used in LTD/DI Combination plans that offset for Social Security. Use the participation with Group LTD Limits to determine the base benefit
4. The Participation with Group LTD Limits applies to LTD/DI combination plans only – not association or individual DI coverage
5. When insuring bonus income, we will include income based on the following:
 - Current year paid bonus is greater than prior year bonus – average the two years
 - Current year paid bonus is less than prior year bonus – use 100% of the current year bonus
 - Only current year paid bonus provided – use 75% of the current year paid bonus
 - Current year bonus is zero – no bonus will be added to income
6. Discount factor, applied to employer-paid group coverage in-force when considering employee-paid individual coverage, is 25%. This 25% discount actually converts the employer-pay coverage to what the applicant will receive after taxes*, allowing us to compare similar coverage.

* Not applicable in Puerto Rico as benefits are received tax free.

Non-taxable Issue Limit Chart No-Group LTD

Earned Income	Base (3)	Social Insurance Rider (2)	Individual Issue Limit (1,4)
16,000	300	650	950
18,000	425	650	1,075
20,000	625	650	1,275
22,000	650	750	1,400
24,000	775	750	1,525
26,000	800	850	1,650
28,000	875	900	1,775
30,000	975	900	1,875
32,000	975	1,000	1,975
34,000	1,075	1,000	2,075
36,000	1,075	1,100	2,175
38,000	1,175	1,100	2,275
40,000	1,300	1,100	2,400
42,000	1,400	1,100	2,500
44,000	1,500	1,100	2,600
46,000	1,525	1,200	2,725
48,000	1,650	1,200	2,850
50,000	1,750	1,200	2,950
52,000	1,850	1,200	3,050
54,000	1,950	1,200	3,150
56,000	2,050	1,200	3,250
58,000	2,050	1,300	3,350
60,000	2,150	1,300	3,450
65,000	2,300	1,350	3,650
70,000	2,500	1,350	3,850
75,000	2,700	1,350	4,050
80,000	2,900	1,350	4,250
85,000	3,100	1,350	4,450
90,000	3,300	1,350	4,650
95,000	3,500	1,350	4,850
100,000	3,700	1,350	5,050
105,000	3,850	1,350	5,200
110,000	3,950	1,350	5,300
115,000	4,100	1,350	5,450

continued

Non-taxable Issue Limit Chart No-Group LTD

Earned Income	Base (3)	Social Insurance Rider (2)	Individual Issue Limit (1,4)
120,000	4,300	1,350	5,650
125,000	4,450	1,350	5,800
130,000	4,700	1,350	6,050
135,000	4,900	1,350	6,250
140,000	5,100	1,350	6,450
145,000	5,300	1,350	6,650
150,000	5,550	1,350	6,900
155,000	5,775	1,350	7,125
160,000	6,000	1,350	7,350
165,000	6,225	1,350	7,575
170,000	6,450	1,350	7,800
175,000	6,675	1,350	8,025
180,000	6,900	1,350	8,250
185,000	7,125	1,350	8,475
190,000	7,350	1,350	8,700
195,000	7,575	1,350	8,925
200,000	7,800	1,350	9,150
210,000	8,300	1,350	9,650
220,000	8,750	1,350	10,100
230,000	9,200	1,350	10,550
240,000	9,650	1,350	11,000
250,000	10,100	1,350	11,450
260,000	10,550	1,350	11,900
270,000	10,650	1,350	12,000
280,000	10,900	1,350	12,250
290,000	11,100	1,350	12,450
300,000	11,550	1,350	12,900
310,000	11,950	1,350	13,300
320,000	12,350	1,350	13,700
330,000	12,700	1,350	14,050
340,000	12,900	1,350	14,250
350,000	13,250	1,350	14,600
360,000	13,650	1,350	15,000
370,000	13,800	1,350	15,150

continued

Non-taxable Issue Limit Chart No-Group LTD

Earned Income	Base (3)	Social Insurance Rider (2)	Individual Issue Limit (1,4)
380,000	13,950	1,350	15,300
390,000	14,100	1,350	15,450
400,000	14,250	1,350	15,600
410,000	14,400	1,350	15,750
420,000	14,550	1,350	15,900
430,000	14,700	1,350	16,050
440,000	14,850	1,350	16,200
450,000	15,000	1,350	16,350
460,000	15,150	1,350	16,500
470,000	15,300	1,350	16,650
480,000	15,450	1,350	16,800
490,000	15,600	1,350	16,950
500,000	15,750	1,350	17,100
510,000	15,900	1,350	17,250
520,000	16,050	1,350	17,400
530,000	16,200	1,350	17,550
540,000	16,350	1,350	17,700
550,000	16,500	1,350	17,850
560,000	16,650	1,350	18,000
570,000	16,800	1,350	18,150
580,000	16,950	1,350	18,300
590,000	17,100	1,350	18,450
600,000	17,250	1,350	18,600
610,000	17,400	1,350	18,750
620,000	17,550	1,350	18,900
630,000	17,700	1,350	19,050
640,000	17,850	1,350	19,200
650,000	18,000	1,350	19,350
660,000	18,150	1,350	19,500
670,000	18,300	1,350	19,650
680,000	18,450	1,350	19,800
690,000	18,600	1,350	19,950
693,333	18,650	1,350	20,000

- ¹ For class 5A/5P, 4A/4P and 3A/3P risks, the individual issue limit column may be used to determine the Base Monthly benefit available, provided there is no participation with Group LTD or any other Social Security offset product in-force. For class 2A and A, the individual limit column may only be used if SIR is elected, otherwise only the Base Monthly benefit is allowed.
- ² For Incomes greater than \$60,000, the maximum amount of the Social Insurance Rider benefit will always be \$1,350. The Social Insurance Rider is not available in California.

California Rules (no Group LTD in-force)

These additional rules as well as special issue and participation limits apply:

- ³ For class 2A and A risks, with an elimination period greater than 365 days, the maximum issue limit is the base monthly benefit.
- ⁴ For class 5A/5P, 4A/4P and 3A/3P risks, the individual issue limit may be used to determine the base monthly benefit available if the plan has a **365-day elimination period**. For class 5A/5P, 4A/4P, 3A/3P, 2A and A risks for plans with **less** than a 365-day elimination period, short-term rider 1 and 2 may be added to shorten the overall elimination period. Calculate by subtracting \$1,470 (\$1,960 discounted for taxes) of state cash sickness benefits, from the table issue limit, subject to our maximum published issue and participation limits based on age and occupation class. Sole proprietors may receive up to the individual issue limit if they have chosen to opt out of the State Cash Sickness (SDI) Program.

Special Non-taxable Issue and Participation Limits for Higher Incomes (Class 5A/5P/4A/4P only, ages 18-60) with No Group LTD Coverage. This is not available in CA, FL and PR.

- For every \$10,000 of annual earned income (after expenses) over \$690,000, an additional \$150 of monthly benefit will be considered. (Subject to our maximum issue and participation limits.)

Taxable Issue Limit Chart No-Group LTD

Earned Income	Base (3)	Social Insurance Rider (2)	Individual Issue Limit (1,4)
16,000	500	650	1,150
18,000	650	650	1,300
20,000	800	650	1,450
22,000	850	750	1,600
24,000	995	750	1,745
26,000	1,025	850	1,875
28,000	1,125	900	2,025
30,000	1,275	900	2,175
32,000	1,325	1,000	2,325
34,000	1,475	1,000	2,475
36,000	1,500	1,100	2,600
38,000	1,650	1,100	2,750
40,000	1,800	1,100	2,900
42,000	1,950	1,100	3,050
44,000	2,100	1,100	3,200
46,000	2,150	1,200	3,350
48,000	2,250	1,200	3,450
50,000	2,400	1,200	3,600
52,000	2,525	1,200	3,725
54,000	2,650	1,200	3,850
56,000	2,800	1,200	4,000
58,000	2,850	1,300	4,150
60,000	3,000	1,300	4,300
65,000	3,300	1,350	4,650
70,000	3,650	1,350	5,000
75,000	4,000	1,350	5,350
80,000	4,317	1,350	5,667
85,000	4,583	1,350	5,933
90,000	4,850	1,350	6,200
95,000	5,117	1,350	6,467
100,000	5,383	1,350	6,733
105,000	5,583	1,350	6,933
110,000	5,717	1,350	7,067
115,000	5,917	1,350	7,267

continued

Taxable Issue Limit Chart No-Group LTD

Earned Income	Base (3)	Social Insurance Rider (2)	Individual Issue Limit (1,4)
120,000	6,183	1,350	7,533
125,000	6,383	1,350	7,733
130,000	6,717	1,350	8,067
135,000	6,983	1,350	8,333
140,000	7,250	1,350	8,600
145,000	7,517	1,350	8,867
150,000	7,850	1,350	9,200
155,000	8,150	1,350	9,500
160,000	8,450	1,350	9,800
165,000	8,750	1,350	10,100
170,000	9,050	1,350	10,400
175,000	9,350	1,350	10,700
180,000	9,650	1,350	11,000
185,000	9,950	1,350	11,300
190,000	10,250	1,350	11,600
195,000	10,550	1,350	11,900
200,000	10,850	1,350	12,200
210,000	11,517	1,350	12,867
220,000	12,117	1,350	13,467
230,000	12,717	1,350	14,067
240,000	13,317	1,350	14,667
250,000	13,650	1,350	15,000
260,000	13,850	1,350	15,200
270,000	14,050	1,350	15,400
280,000	14,250	1,350	15,600
290,000	14,450	1,350	15,800
300,000	14,650	1,350	16,000
310,000	14,850	1,350	16,200
320,000	15,050	1,350	16,400
330,000	15,250	1,350	16,600
340,000	15,450	1,350	16,800
350,000	15,650	1,350	17,000
360,000	15,850	1,350	17,200
370,000	16,050	1,350	17,400

continued

Taxable Issue Limit Chart No-Group LTD

Earned Income	Base (3)	Social Insurance Rider (2)	Individual Issue Limit (1,4)
380,000	16,250	1,350	17,600
390,000	16,450	1,350	17,800
400,000	16,650	1,350	18,000
410,000	16,850	1,350	18,200
420,000	17,050	1,350	18,400
430,000	17,250	1,350	18,600
440,000	17,450	1,350	18,800
450,000	17,650	1,350	19,000
460,000	17,850	1,350	19,200
470,000	18,050	1,350	19,400
480,000	18,250	1,350	19,600
490,000	18,450	1,350	19,800
500,000	18,650	1,350	20,000

- ¹ For class 5A/5P, 4A/4P and 3A/3P risks, the individual issue limit column may be used to determine the Base Monthly benefit available, provided there is no participation with Group LTD or any other Social Security offset product in-force. For class 2A and A, the individual limit column may only be used if SIR is elected, otherwise only the Base Monthly benefit is allowed.
- ² For Incomes greater than \$60,000, the maximum amount of the Social Insurance Rider benefit will always be \$1,350. The Social Insurance Rider is not available in California.

California Rules (no Group LTD in-force)

These additional rules as well as special issue and participation limits apply:

- ³ For class 2A and A risks, with an elimination period greater than 365 days, the maximum issue limit is the base monthly benefit.
- ⁴ For class 5A/5P, 4A/4P and 3A/3P risks, the individual issue limit may be used to determine the base monthly benefit available if the policy has a **365-day elimination period**. For class 5A/5P, 4A/4P, 3A, 2A and A risks for policies with **less** than a 365-day elimination period, short-term rider 1 and 2 may be added to shorten the overall elimination period. Calculate by subtracting \$1,960 of state cash sickness benefits, from the table issue limit, subject to our maximum published issue and participation limits based on age and occupation class. Sole proprietors may receive up to the individual issue limit if they have chosen to opt out of the State Cash Sickness (SDI) Program.

Special Taxable Issue and Participation Limits for Higher Incomes (Class 5A/5P/4A/4P only, ages 18-60) with No Group LTD Coverage. This is not available in CA, FL and PR.

- For every \$10,000 of annual earned income (after expenses) over \$500,000, an additional \$200 of monthly benefit will be considered. (Subject to our maximum issue and participation limits.)

Participation Limits provided for incomes up to and including \$70,000 for cases in participation with Group LTD where a replacement ratio in excess of 60% is desired.

Non-taxable Issue and Participation Limit Chart with Group LTD Only – Radius

Earned Income	Individual Issue Limit (2,3)	Participation with Group LTD (1)
16,000	950	975
18,000	1,075	1,095
20,000	1,275	1,295
22,000	1,400	1,420
24,000	1,525	1,545
26,000	1,650	1,670
28,000	1,775	1,795
30,000	1,875	1,895
32,000	1,975	1,995
34,000	2,075	2,095
36,000	2,175	2,195
38,000	2,275	2,295
40,000	2,400	2,420
42,000	2,500	2,520
44,000	2,600	2,620
46,000	2,725	2,745
48,000	2,850	2,870
50,000	2,950	2,970
52,000	3,050	3,070
54,000	3,150	3,170
56,000	3,250	3,270
58,000	3,350	3,370
60,000	3,450	3,470
65,000	3,650	3,670
70,000	3,850	3,870

For incomes above \$70,000 with no ABI rider use the 65% replacement ratio:

65% monthly income less Group LTD/other coverage = MassMutual issue (subject to max issue/participation limits)

For incomes above \$70,000 with ABI rider use the 60% replacement ratio:

60% monthly income less Group LTD/other coverage = MassMutual issue (subject to max issue/participation limits)

¹ For all occupation classes, the participation with Group LTD column may be used to determine the Base Monthly benefit available, subject to the Maximum I & P limits based on occupation class.

The participation with Group LTD limits do not apply when programming with association, state or federal coverage. Group LTD must be applied for simultaneously, or must be in-force in order to receive these limits.

² In-force MassMutual coverage in combination with new MassMutual coverage cannot exceed the Individual Issue Limit.

California Rules (incomes up to and including \$70,000 with Group LTD in-force)

These additional rules as well as special issue and participation limits apply:

³ If the individual benefit starts before the Group LTD benefit, short-term riders 1 and 2 may be used to shorten the overall elimination period. Calculate by subtracting \$1,470 (\$1,960 discounted for taxes) of state cash sickness benefits, from the lesser of the table issue limit based on income or occ. class issue limit. Sole proprietors may receive up to the Individual Issue Limit if they have chosen to opt out of the State Cash Sickness (SDI) Program.

Participation Limits provided for incomes up to and including \$100,000 for cases in participation with Group LTD where a replacement ratio in excess of 60% is desired.

Non-taxable Issue and Participation Limit Chart with Group LTD Only – MaxElect

Earned Income	Individual Issue Limit (2,3)	Participation with Group LTD (1)
16,000	950	975
18,000	1,075	1,095
20,000	1,275	1,295
22,000	1,400	1,420
24,000	1,525	1,545
26,000	1,650	1,670
28,000	1,775	1,795
30,000	1,875	1,895
32,000	1,975	1,995
34,000	2,075	2,095
36,000	2,175	2,195
38,000	2,275	2,295
40,000	2,400	2,420
42,000	2,500	2,520
44,000	2,600	2,620
46,000	2,725	2,745
48,000	2,850	2,870
50,000	2,950	2,970
52,000	3,050	3,070
54,000	3,150	3,170
56,000	3,250	3,270
58,000	3,350	3,370
60,000	3,450	3,470
65,000	3,650	3,670
70,000	3,850	3,870
75,000	4,050	4,070

Non-taxable Issue and Participation Limit Chart with Group LTD Only – MaxElect

Earned Income	Individual Issue Limit (2,3)	Participation with Group LTD (1)
80,000	4,250	4,270
85,000	4,450	4,470
90,000	4,650	4,670
95,000	4,850	4,870
100,000	5,050	5,070

For incomes above \$100,000, use the 60% replacement ratio:

60% monthly income less Group LTD/other coverage = MassMutual issue (subject to max issue/participation limits)

¹ For all occupation classes, the participation with Group LTD column may be used to determine the Base Monthly benefit available, subject to the Maximum I & P limits based on occupation class.

The participation with Group LTD limits do not apply when programming with association, state or federal coverage. Group LTD must be applied for simultaneously, or must be in-force in order to receive these limits.

² In-force MassMutual coverage in combination with new MassMutual coverage cannot exceed the Individual Issue Limit.

California Rules (incomes up to and including \$100,000 with Group LTD in-force)

These additional rules as well as special issue and participation limits apply:

³ If the individual benefit starts before the Group LTD benefit, short-term riders 1 and 2 may be used to shorten the overall elimination period. Calculate by subtracting \$1,470 (\$1,960 discounted for taxes) of state cash sickness benefits, from the lesser of the table issue limit based on income or occ. class issue limit. Sole proprietors may receive up to the Individual Issue Limit if they have chosen to opt out of the State Cash Sickness (SDI) Program.

Participation Limits provided for incomes up to and including \$100,000 for cases in participation with Group LTD where a replacement ratio in excess of 80% is desired.

Taxable Issue and Participation Limit Chart with Group LTD Only – Radius and MaxElect

Earned Income	Individual Issue Limit (2,3)	Participation with Group LTD (1)
16,000	1,150	1,175
18,000	1,300	1,325
20,000	1,450	1,475
22,000	1,600	1,625
24,000	1,745	1,770
26,000	1,875	1,900
28,000	2,025	2,050
30,000	2,175	2,200
32,000	2,325	2,350
34,000	2,475	2,500
36,000	2,600	2,625
38,000	2,750	2,775
40,000	2,900	2,925
42,000	3,050	3,075
44,000	3,200	3,225
46,000	3,350	3,375
48,000	3,450	3,475
50,000	3,600	3,625
52,000	3,725	3,750
54,000	3,850	3,875
56,000	4,000	4,025
58,000	4,150	4,175
60,000	4,300	4,325
65,000	4,650	4,675
70,000	5,000	5,025
75,000	5,350	5,375
80,000	5,667	5,692

continued

Taxable Issue and Participation Limit Chart with Group LTD Only – Radius and MaxElect

Earned Income	Individual Issue Limit (2,3)	Participation with Group LTD (1)
85,000	5,933	5,958
90,000	6,200	6,225
95,000	6,467	6,492
100,000	6,733	6,758

For incomes above \$100,000, use the 80% replacement ratio:

80% monthly income less Group LTD/other coverage = MassMutual issue (subject to max issue/participation limits)

¹ For all occupation classes, the participation with Group LTD column may be used to determine the Base Monthly benefit available, subject to the Maximum I & P limits based on occupation class.

The participation with Group LTD limits do not apply when programming with association, state or federal coverage. Group LTD must be applied for simultaneously, or must be in-force in order to receive these limits.

² In-force MassMutual coverage in combination with new MassMutual coverage cannot exceed the Individual Issue Limit.

California Rules (incomes up to and including \$100,000 with Group LTD in-force)

These additional rules as well as special issue and participation limits apply:

³ If the individual benefit starts before the Group LTD benefit, short-term riders 1 and 2 may be used to shorten the overall elimination period. Calculate by subtracting \$1,960 of state cash sickness benefits, from the lesser of the of the table issue limit based on income or occ. class issue limit. Sole proprietors may receive up to the individual issue limit if they have chosen to opt out of the State Cash Sickness (SDI) Program.

Examples of Group LTD with Individual Coverage Plan Formulas

When determining the replacement benefit percent, the amount of individual coverage may not exceed the Maximum Individual Issue Limit.

Taxable Group LTD Benefit and Non-Taxable Individual Plan

If the Group LTD plan is employer pay (the employer is paying 50% or more of the premium) and the insured is paying 100% of the individual disability premium, then the employer pay Group LTD can be converted to a non-taxable benefit by multiplying the Group LTD benefit by .75 and using the non-taxable table. The following is an example of that calculation:

Example A

	Chart	Formula
Annual Income	\$ 60,000	\$ 150,000
LTD Benefit 50%	\$ 2,500	\$ 6,250
Multiply by .75	x .75	x .75
LTD Benefit to Subtract	\$ 1,875	\$ 4,688
MM Participation Limit	\$ 3,470	\$ 8,125
Minus LTD Benefit of	\$ 1,875	\$ 4,688
Total amount of Coverage We will issue	\$ 1,595	\$ 3,437

Non-taxable Group LTD Benefit and Non-Taxable Individual Plan

If the Group LTD plan is employee-pay (the employee is paying 50% or more of the premium) and the insured is paying 100% of the individual disability premium, then the Non-Taxable benefit table should be used. On the following page is an example of that calculation:

Example B

	Chart	Formula
Annual Income	\$ 60,000	\$ 150,000
LTD Benefit 50%	\$ 2,500	\$ 6,250
LTD Benefit to Subtract	\$ 2,500	\$ 6,250
MM Participation Limit	\$ 3,470	\$ 8,125
Minus LTD Benefit of	\$ 2,500	\$ 6,250
Total amount of coverage We will issue	\$ 970	\$ 1,875

Taxable Group LTD Benefit and Taxable Individual Plan

If the Group LTD plan is employer-pay (the employer is paying 50% or more of the premium) and the individual disability coverage is also employer-pay (the employer is paying 50% or more of the premium), then the Taxable benefit table should be used. The following is an example of that calculation:

Example C

	Chart	Formula
Annual Income	\$ 75,000	\$ 150,000
LTD Benefit 50%	\$ 3,125	\$ 6,250
LTD Benefit to Subtract	\$ 3,125	\$ 6,250
MM Participation Limit	\$ 5,375	\$ 10,000
Minus LTD Benefit of	\$ 3,125	\$ 6,250
Total amount of coverage We will issue	\$ 2,250	\$ 3,750

Non-Taxable Group LTD Benefit and Taxable Individual Plan

If the Group LTD plan is employee-pay (the employee is paying 50% or more of the premium) and the individual disability is employer-pay (the employer is paying 50% or more of the premium), LTD can be converted to a taxable benefit by dividing the LTD benefit by .75 and using the taxable table. The following is an example of that calculation:

Example D

	Chart	Formula
Annual Income	\$ 75,000	\$ 150,000
LTD Benefit 50%	\$ 3,125	\$ 6,250
Divide by .75	/ .75	/ .75
LTD Benefit to Subtract	\$ 4,167	\$ 8,334
MM Participation Limit	\$ 5,375	\$ 10,000
Minus LTD Benefit of	\$ 4,167	\$ 8,334
Total amount of coverage We will issue	\$ 1,208	\$ 1,666

Note: The same rationale is used when in-force coverage is individual, instead of Group LTD. However, the Individual Issue Limit would be used for calculations rather than the participation limit.

BOE Issue and Participation Limits

Occ Class	Maximum Issue and Participation Limits
5A/5P, 4A/4P, 3A/3P	\$30,000 w/24 mo BP
	\$40,000 w/18 mo BP
	\$50,000 w/12 mo BP
2A/A	\$10,000

Disability Buy-Sell Issue and Participation Limits

		Maximum Lump Sum (1)		Benefit Period	Maximum Monthly Indemnity Periodic Pay (1)		Total Pay-Out Limit (1, 2)	
	5A/5P, 4A/4P 3P	3A, 2A			5A/5P, 4A/4P 3P	3A, 2A	5A/5P, 4A/4P 3P	3A, 2A
365 Days	\$1,500,000	\$1,000,000		2 Years	\$72,920	\$52,100	\$1,750,000	\$1,250,000
				3 Years	\$48,610	\$34,725	\$1,750,000	\$1,250,000
				5 Years	\$29,167	\$20,835	\$1,750,000	\$1,250,000
540 Days	\$1,750,000	\$1,250,000		2 Years	\$104,165	\$62,500	\$2,500,000	\$1,500,000
				3 Years	\$69,445	\$41,670	\$2,500,000	\$1,500,000
				5 Years	\$41,665	\$25,000	\$2,500,000	\$1,500,000
730 Days	\$2,250,000	\$1,250,000		2 Years	\$125,000	\$62,500	\$3,000,000	\$1,500,000
				3 Years	\$83,340	\$41,670	\$3,000,000	\$1,500,000
				5 Years	\$50,000	\$25,000	\$3,000,000	\$1,500,000

Disability Buy-Sell Issue and Participation Limits

- ¹ In Florida and Puerto Rico, Physicians/Dentists are limited to 60% of the maximum published I & P limits. All other occupations are eligible for 100% of the maximum published I & P limits.
- ² This is the Maximum Disability Buy-Sell amount which can be written combining Lump Sum and Periodic Pay, or as total Periodic Pay. When combining Lump Sum and Periodic Pay, the maximum Periodic Pay is the difference between the Lump Sum and the Total Pay-Out, divided by the number of months in the Periodic Pay benefit period.

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