

Will my employer provide disability coverage?

Most employers offer some kind of disability insurance, but you should find out exactly what your employer offers before you have to file a claim. Most allow some short-term sick leave, which might last from a few days to as much as six months. In some states, such as Hawaii, New Jersey, New York and Rhode Island, state law requires employers to provide disability benefits for up to 26 weeks.

Check with your benefits department to see if you are covered and if so, how long you must wait before benefits begin and how long payments will last while you are still disabled. Also, ask if your employer's disability plan takes other disability programs into account, such as Social Security, when calculating your disability pay.

No laws require employers to offer long-term disability (LTD) coverage, but about half of large and mid-sized employers offer it to their workers. Typical group long-term disability benefits replace about 60% of the worker's usual salary. These benefits usually start when short-term benefits are exhausted and continue from five years to life. Usually, group long-term disability insurance is fully paid for by employers, with no contribution expected from employees. When you receive employer-paid disability income, you must pay federal and state income tax on the benefits, unless your company pays it for you.

Source: *Insurance Information Institute, Inc. (www.iii.org)*