benefits connection

How to Calculate Your Cost for Long Term Disability Coverage

You and Publicis, share in the cost of your Long Term Disability coverage if you elect the buy-up plan. Publicis pays 100% for the 40% core plan and you pay for the additional coverage under the buy-up plan if you choose to elect this additional 20% benefit increase for a total benefit of 60%. Your contributions for the buy-up plan are payroll deducted on an after tax basis. This is advantageous because the portion of the premium you pay on an after tax basis is equivalent to the portion of the benefit that you receive tax-free.

Follow these easy steps to determine your payroll deducted cost for the buy-up plan…

	What to Do	Example Information	Your Information
Step 1	Determine your monthly earnings* by dividing your annual earnings by 12	$60,000 / 12 = $5,000 per month	____________________
Step 2	Divide your monthly earnings* by 100	$5,000 / 100 = 50	____________________
Step 3	Multiply the answer from Step 2 by the rate of $.138	50 X .138 = $6.90 per month	____________________
Step 4	Multiply the answer in Step 3 by 12 and divide by your payroll frequency		
	Divide by 24 if you are paid twice a month	$6.90 X 12 / 24 = $3.45 per pay period	____________________
	Divide by 26 if you are paid every two weeks	$6.90 X 12 / 26 = $3.18 per pay period	____________________
	Divide by 52 if you are paid weekly	$6.90 X 12 / 52 = $ 1.59 per pay period	____________________
	If you are paid monthly you do not need to do anything, your cost is the answer in Step 3		

*Please refer to the Long Term Disability Plan Summary for the Definition of Earnings.

*Please note that the maximum insured monthly earnings are $25,000 ($15,000 maximum monthly benefit divided by benefit percentage of 60% = $25,000). If you have monthly earnings in excess of $25,000 please contact your local human resources representative for more information.