

Example of how new LTD benefit works

Your enrollment and benefits statement displays an LTD amount in the After Tax column. This amount is added into your gross earnings and depending on your withholding status and number of deductions, Social Security, Medicare, Federal and State taxes are assessed on the College's contribution each pay period allows you to receive LTD benefits of 60% of gross wages tax free at the time the benefit is received.

Employee 3 earns \$7648.00/month or \$91,776 annually. He declares Married/1 for both Federal and State taxes.

	Monthly wage without new LTD benefit	College's contribution to LTD coverage	Monthly wage with new LTD benefit	Difference
GROSS WAGES	\$ 7648.00	\$15.14	\$ 7663.14	
Taxes				
Social Security	\$ 474.93			