

# Coverage to Income Limits

## Protector Platinum and Protector+

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### Coverage to Income Definitions

#### Maximum Benefit Amounts

Maximum benefit amounts for earned income not shown in the following table are determined by interpolation. For example, \$27,000 annual income is eligible for \$880 basic monthly benefit and \$800 SSI (individual pay) or \$1,035 basic and \$800 SSI (employer pay).

For all 5A, 4A, 4P 3A and 3P risks, the amount shown for SSI can be written as base coverage at the discretion of the field underwriter/producer.

Applicants not covered by Social Security are not considered eligible for amounts larger than those shown in the tables on the following pages.

**Earned Income** "Earned income" is defined as income from the insured's current primary occupation including salary, other compensation for services rendered and/or commissions. For self-employed, earned income is after business expenses but before personal income taxes.

**Limits for Special Occupations** Different issue limits and other requirements may apply for certain occupations:

- Selected Students and New Professionals
- Government Employees
- Entertainment Industry Employees
- Insurance Producers
- Self-Employed – Working in home/residence

Refer to the [Special Occupations](#) section.

**Participation Limits** Coverage that will remain in force with other companies or with The Standard will reduce the maximum benefits for which the applicant is eligible. Individual coverage that is basic or of the SSI type will directly reduce our basic or SSI coverage.

To determine the amount of individual coverage that can be issued with Group LTD when Group LTD replaces 60% or 66.7% of salary, refer to the Individual Policy Limits When Combined With Group LTD table. The illustration software automatically adjusts issue and participation limits for various situations where LTD is present in other proportions.

As a general rule, the basic indemnity benefit may not exceed 75% of the insured's monthly earned income.

The "Paid by Employer" limit is available only when the employer pays all of the premium and the benefits will be taxable income to the employee. This does not apply if either the employer's contribution will be included in the employee's taxable income or if the employee will reimburse the employer for any premium.

# Issue And Participation Limits I<sup>1</sup>

Maximum Benefit Amounts In Relation To Income For Individual Disability Income Insurance							
Annual Earned Income <sup>2</sup>	Monthly Earned Income	Individual Disability Income Coverage ONLY					
		Individual Insurance Paid by Employee			Individual Insurance Paid by Employer		
		Base Indemnity	SSI <sup>3</sup>	Total Indemnity	Base Indemnity	SSI <sup>3</sup>	Total Indemnity
\$15,000	\$1,250	\$360	\$650	\$1,010	\$450	\$650	\$1,100
\$20,000	\$1,667	\$570	\$750	\$1,320	\$710	\$750	\$1,460
\$24,000	\$2,000	\$780	\$780	\$1,560	\$950	\$780	\$1,730
\$25,000	\$2,083	\$820	\$790	\$1,610	\$1,010	\$790	\$1,800
\$30,000	\$2,500	\$1,070	\$830	\$1,900	\$1,310	\$830	\$2,140
\$35,000	\$2,917	\$1,300	\$870	\$2,170	\$1,610	\$870	\$2,480
\$40,000	\$3,333	\$1,520	\$910	\$2,430	\$1,900	\$910	\$2,810
\$45,000	\$3,750	\$1,730	\$950	\$2,680	\$2,190	\$950	\$3,140
\$50,000	\$4,167	\$1,920	\$1,000	\$2,920	\$2,460	\$1,000	\$3,460
\$55,000	\$4,583	\$2,110	\$1,040	\$3,150	\$2,730	\$1,040	\$3,770
\$60,000	\$5,000	\$2,290	\$1,080	\$3,370	\$3,000	\$1,080	\$4,080
\$65,000	\$5,417	\$2,510	\$1,110	\$3,620	\$3,270	\$1,110	\$4,380
\$70,000	\$5,833	\$2,740	\$1,140	\$3,880	\$3,550	\$1,140	\$4,690
\$75,000	\$6,250	\$2,910	\$1,170	\$4,080	\$3,810	\$1,170	\$4,980
\$80,000	\$6,667	\$3,070	\$1,200	\$4,270	\$4,070	\$1,200	\$5,270
\$85,000	\$7,083	\$3,270	\$1,200	\$4,470	\$4,360	\$1,200	\$5,560
\$90,000	\$7,500	\$3,460	\$1,200	\$4,660	\$4,650	\$1,200	\$5,850
\$95,000	\$7,917	\$3,670	\$1,200	\$4,870	\$4,940	\$1,200	\$6,140
\$100,000	\$8,333	\$3,880	\$1,200	\$5,080	\$5,220	\$1,200	\$6,420
\$120,000	\$10,000	\$4,740	\$1,200	\$5,940	\$6,320	\$1,200	\$7,520
\$140,000	\$11,667	\$5,450	\$1,200	\$6,650	\$7,450	\$1,200	\$8,650
\$160,000	\$13,333	\$6,270	\$1,200	\$7,470	\$8,510	\$1,200	\$9,710
\$180,000	\$15,000	\$7,170	\$1,200	\$8,370	\$9,580	\$1,200	\$10,780
\$200,000	\$16,667	\$8,070	\$1,200	\$9,270	\$10,640	\$1,200	\$11,840
\$225,000	\$18,750	\$9,180	\$1,200	\$10,380	\$12,025	\$1,200	\$13,225
\$250,000	\$20,833	\$10,280	\$1,200	\$11,480	\$13,470	\$1,200	\$14,670
\$275,000	\$22,917	\$11,270	\$1,200	\$12,470	\$14,675	\$1,200	\$15,875
\$300,000	\$25,000	\$12,080	\$1,200	\$13,280	\$15,600	\$1,200	\$16,800
\$325,000	\$27,083	\$12,830	\$1,200	\$14,030	\$16,435	\$1,200	\$17,635
\$350,000	\$29,167	\$13,850	\$1,200	\$15,050	\$17,600	\$1,200	\$18,800
\$375,000	\$31,250	\$14,190	\$1,200	\$15,390	\$17,935	\$1,200	\$19,135
\$400,000	\$33,333	\$14,900	\$1,200	\$16,100	\$18,730	\$1,200	\$19,930
\$425,000	\$35,417	\$15,645	\$1,200	\$16,845	\$18,800	\$1,200	\$20,000
\$450,000	\$37,500	\$16,430	\$1,200	\$17,630	\$18,800	\$1,200	\$20,000
\$475,000	\$39,583	\$17,225	\$1,200	\$18,425	\$18,800	\$1,200	\$20,000
\$500,000	\$41,667	\$18,270	\$1,200	\$19,470	\$18,800	\$1,200	\$20,000
\$550,000	\$45,833	\$18,800	\$1,200	\$20,000	\$18,800	\$1,200	\$20,000
\$600,000	\$50,000	\$18,800	\$1,200	\$20,000	\$18,800	\$1,200	\$20,000
\$650,000	\$54,167	\$18,800	\$1,200	\$20,000	\$18,800	\$1,200	\$20,000
\$700,000	\$58,333	\$18,800	\$1,200	\$20,000	\$18,800	\$1,200	\$20,000

<sup>1</sup> The individual coverage portion may not exceed individual maximum issue and participation limits by occupation class.

<sup>2</sup> The minimum insurable annual earned income is \$15,000 except in California where the minimum insurable annual earned income is \$24,000.

<sup>3</sup> SSI is not available on Protector Platinum. Please use Total Indemnity column to determine eligible amount. For all occupations on Protector+, the SSI amount may be issued as base indemnity, and, if there is participation with LTD or any Social Security offset product, use the total indemnity to determine maximum benefits as SSI is not available. The amount issued as SSI must be programmed around state cash sickness benefits using a waiting period of the same length as the state sickness benefit period.

<sup>4</sup> Select occupation classes participating with another carrier may have participation limit up to \$25,000. For more information, please tables on pages 6, 10 and 14 of this product guide.

**For Individual Disability Income Insurance  
(continued)**

Annual Earned Income	Monthly Earned Income	Maximum participation with other carriers' IDI	
		Individual Insurance Paid by	
		Employee	Employer
\$250,000	\$20,833	\$11,480	\$14,670
\$275,000	\$22,917	\$12,470	\$15,875
\$300,000	\$25,000	\$13,280	\$16,800
\$325,000	\$27,083	\$14,030	\$17,635
\$350,000	\$29,167	\$15,050	\$18,800
\$375,000	\$31,250	\$15,390	\$19,135
\$400,000	\$33,333	\$16,100	\$19,930
\$425,000	\$35,417	\$16,845	\$20,765
\$450,000	\$37,500	\$17,630	\$21,660
\$475,000	\$39,583	\$18,425	\$22,350
\$500,000	\$41,667	\$19,470	\$23,240
\$525,000	\$43,750	\$19,853	\$23,623
\$550,000	\$45,833	\$20,235	\$24,005
\$575,000	\$47,917	\$20,618	\$24,388
\$600,000	\$50,000	\$21,000	\$24,520
\$650,000	\$54,167	\$21,615	\$25,000
\$700,000	\$58,333	\$22,230	\$25,000
\$750,000	\$62,500	\$23,130	\$25,000
\$800,000	\$66,667	\$25,000	\$25,000

Please refer to the chart at left to determine the amount of income required to participate at these levels.

The Standard's IDI issue and participation limits allow for additional coverage when combined with another carrier's IDI. Refer to the participation limits found in the product overviews.



## Issue And Participation Limits II<sup>1</sup>

### Maximum Benefit Amounts In Relation To Income For Individual Disability Income Insurance When Combined With Employer - Paid Group LTD

Annual Earned Income <sup>2</sup>	Monthly Earned Income	Maximum Benefit Amounts in Relation to Income							
		Individual Insurance Paid by Employee				Individual Insurance Paid by Employer			
		60 % Group Plan		66.67 % Group Plan		60 % Group Plan		66.67 % Group Plan	
		Group Benefit	Indiv. Benefit	Group Benefit	Indiv. Benefit	Group Benefit	Indiv. Benefit	Group Benefit	Indiv. Benefit
\$15,000	\$1,250	\$750	\$330	\$833	\$250	\$750	\$350	\$833	\$270
\$20,000	\$1,667	\$1,000	\$420	\$1,111	\$320	\$1,000	\$460	\$1,111	\$350
\$24,000	\$2,000	\$1,200	\$480	\$1,333	\$360	\$1,200	\$530	\$1,333	\$400
\$25,000	\$2,083	\$1,250	\$500	\$1,389	\$370	\$1,250	\$550	\$1,389	\$420
\$30,000	\$2,500	\$1,500	\$570	\$1,667	\$420	\$1,500	\$640	\$1,667	\$480
\$35,000	\$2,917	\$1,750	\$640	\$1,945	\$470	\$1,750	\$730	\$1,945	\$540
\$40,000	\$3,333	\$2,000	\$700	\$2,222	\$510	\$2,000	\$810	\$2,222	\$590
\$45,000	\$3,750	\$2,250	\$760	\$2,500	\$550	\$2,250	\$890	\$2,500	\$640
\$50,000	\$4,167	\$2,500	\$810	\$2,778	\$580	\$2,500	\$960	\$2,778	\$690
\$55,000	\$4,583	\$2,750	\$860	\$3,055	\$600	\$2,750	\$1,020	\$3,055	\$720
\$60,000	\$5,000	\$3,000	\$900	\$3,334	\$620	\$3,000	\$1,080	\$3,334	\$750
\$65,000	\$5,417	\$3,250	\$990	\$3,612	\$690	\$3,250	\$1,130	\$3,612	\$770
\$70,000	\$5,833	\$3,500	\$1,060	\$3,889	\$740	\$3,500	\$1,250	\$3,889	\$870
\$75,000	\$6,250	\$3,750	\$1,170	\$4,167	\$830	\$3,750	\$1,360	\$4,167	\$950
\$80,000	\$6,667	\$4,000	\$1,290	\$4,445	\$930	\$4,000	\$1,470	\$4,445	\$1,030
\$85,000	\$7,083	\$4,250	\$1,420	\$4,722	\$1,040	\$4,250	\$1,570	\$4,722	\$1,100
\$90,000	\$7,500	\$4,500	\$1,550	\$5,000	\$1,150	\$4,500	\$1,670	\$5,000	\$1,170
\$95,000	\$7,917	\$4,750	\$1,680	\$5,278	\$1,260	\$4,750	\$1,780	\$5,278	\$1,260
\$100,000	\$8,333	\$5,000	\$1,800	\$5,556	\$1,360	\$5,000	\$1,880	\$5,556	\$1,330
\$120,000	\$10,000	\$6,000	\$2,250	\$6,667	\$1,720	\$6,000	\$2,360	\$6,667	\$1,700
\$140,000	\$11,667	\$7,000	\$2,870	\$7,778	\$2,270	\$7,000	\$2,830	\$7,778	\$2,060
\$160,000	\$13,333	\$8,000	\$3,160	\$8,889	\$2,480	\$8,000	\$3,190	\$8,889	\$2,310
\$180,000	\$15,000	\$9,000	\$3,260	\$10,001	\$2,480	\$9,000	\$3,470	\$10,001	\$2,470
\$200,000	\$16,667	\$10,000	\$3,360	\$11,112	\$2,480	\$10,000	\$3,770	\$11,112	\$2,660
\$225,000	\$18,750	\$11,250	\$3,580	\$12,500	\$2,600	\$11,250	\$4,210	\$12,500	\$2,960
\$250,000	\$20,833	\$12,500	\$3,960	\$13,889	\$2,880	\$12,500	\$4,880	\$13,889	\$3,500
\$275,000	\$22,917	\$13,750	\$4,190	\$15,000	\$3,210	\$13,750	\$5,320	\$15,000	\$4,070
\$300,000	\$25,000	\$15,000	\$4,360	\$15,000	\$4,360	\$15,000	\$5,580	\$15,000	\$5,580
\$325,000	\$27,083	\$15,000	\$5,510	\$15,000	\$5,510	\$15,000	\$7,080	\$15,000	\$7,080
\$350,000	\$29,167	\$15,000	\$6,690	\$15,000	\$6,690	\$15,000	\$8,600	\$15,000	\$8,600
\$375,000	\$31,250	\$15,000	\$7,860	\$15,000	\$7,860	\$15,000	\$10,120	\$15,000	\$10,120
\$400,000	\$33,333	\$15,000	\$9,040	\$15,000	\$9,040	\$15,000	\$12,170	\$15,000	\$12,170
\$425,000	\$35,417	\$15,000	\$10,220	\$15,000	\$10,220	\$15,000	\$13,780	\$15,000	\$13,780
\$450,000	\$37,500	\$15,000	\$11,420	\$15,000	\$11,420	\$15,000	\$15,460	\$15,000	\$15,460
\$475,000	\$39,583	\$15,000	\$12,570	\$15,000	\$12,570	\$15,000	\$17,180	\$15,000	\$17,180
\$500,000	\$41,667	\$15,000	\$13,790	\$15,000	\$13,790	\$15,000	\$18,750	\$15,000	\$18,750
\$550,000	\$45,833	\$15,000	\$15,270	\$15,000	\$15,270	\$15,000	\$18,750	\$15,000	\$18,750
\$600,000	\$50,000	\$15,000	\$16,760	\$15,000	\$16,760	\$15,000	\$18,750	\$15,000	\$18,750
\$650,000	\$54,167	\$15,000	\$17,720	\$15,000	\$17,720	\$15,000	\$18,750	\$15,000	\$18,750
\$700,000	\$58,333	\$15,000	\$18,700	\$15,000	\$18,700	\$15,000	\$18,750	\$15,000	\$18,750
\$750,000	\$62,500	\$15,000	\$18,750	\$15,000	\$18,750	\$15,000	\$18,750	\$15,000	\$18,750

<sup>1</sup> The individual coverage portion may not exceed individual maximum issue and participation limits by income and class. For group LTD plans different from those described above, please call your underwriter at The Standard. Assumes maximum benefit under the group plan is \$15,000.

<sup>2</sup> The minimum insurable annual earned income is \$15,000. In California the minimum insurable annual earned income is \$24,000.

# Income Documentation

## Income Documentation

The insurance application includes questions to develop this information. Income documentation is required for all applications except those that qualify under Students and New Professionals guidelines.

Please submit the documentation with the application to avoid delay in processing. See the "Understanding Income Documentation" section that follows for information on acceptable income documentation.

**Unearned Income** Applicants with substantial net worth and/or unearned income may not be eligible for coverage or may be subject to a reduction in amount, lengthened waiting period and/or reduced benefit period. Typically, unearned income which is less than 25% of earned income is ignored while unearned income greater than 50% of earned income would result in a declination. Net worth greater than \$6 million typically results in a declination.

**Fringe Benefits** Generally, fringe benefits are not included in determining earned income. However, pension and profit sharing contributions by some applicants may be recognized as earned income. Eligible applicants include those in the following categories:

- Sole Proprietors
- Partnerships
- Sub Chapter S Corporations
- Professional Corporations
- Small Corporations not exceeding ten stockholders

The amount of the pension and profit sharing contribution recognized will generally be limited to the lesser of the amount of the contribution or 25% of earned income, provided that The Standard receives documentation regarding the type of pension plan and the amount contributed. Pension contributions for cases involving corporations larger than ten stockholders, or where the applicant is not active in the business, are not earned income.

# Understanding Income Documentation



Income documentation is required for all disability income insurance applications (except applications qualifying for Simplified Underwriting, and select Students and New Professionals). The documentation required depends on the applicant's business entity, as shown in the table below.

Entity	Documentation <sup>1</sup> for			What Income Figure to Use	Employer - Paid Limits
	Protector Platinum <sup>SM</sup> and Protector+ <sup>SM</sup>	Business Protector <sup>SM</sup>	Business Equity Protector <sup>SM</sup>		
Students, Residents, New Professionals	Not Required unless requested by the Underwriter	For new in private practice Professionals, please contact your underwriter.	Not available	See Student/New Professional Guidelines in the Special Occupations Section for benefit limits	Not eligible for employer - paid limits.
Non - owner employee	Complete Form 1040 for most recent year including all schedules, W - 2s of the proposed insured OR If income is from salary only, provide copy of paystub showing a minimum of six months of YTD income OR If 1099 income, complete 1040 to include related Schedule C	Not available	Not available	W - 2 box #5 labeled "Medicare Wages and Tips" OR Project year to date salary to determine annual income. Do not project commissions or bonuses. <sup>2</sup> OR 1099's report income from independent contractors. Most likely filed under a Schedule C, but may be reported as "other income"	May apply for employer - paid limits. <sup>3</sup> Independent contractors are not eligible for employer - paid limits.
Owner of Sole Proprietorship	Complete Form 1040 and Schedule C	Schedule C from personal tax return	Not available	Schedule C line #31	Not eligible for employer - paid limits.
C Corporation Owner	Complete W - 2s of the proposed insured. Business Tax Form 1120 is required if 50%+ owner (non-medical occupations only)	Business tax form 1120	2 years' complete business tax returns	W - 2 box #5 labeled "Medicare Wages and Tips"	May apply for employer - paid limits. <sup>3</sup>
S Corporation Owner	Complete 1040, W - 2s, and Schedule E OR Corporate Tax Return Form 1120S and Schedule K - 1 (1120S)	Business tax form 1120S	2 years' complete business tax returns	W - 2 box #5 plus Schedule E Nonpassive income, subtract Nonpassive loss, Section 179 Expense. <sup>4</sup> "Passive" may be counted as unearned income. OR Add 1120S line 7 (owner's share shown on W - 2) and K - 1 box number 1, subtract line 11	May apply for employer - paid limits if the proposed insured owns 2% or less of the business. <sup>3</sup>
Partnership	The type of business tax return filed for the LLC or LLP will govern the documentation required.	See appropriate business entity above.	2 years' complete business tax returns	Refer to the appropriate requirements above for regular corporations and partnerships	See appropriate business entity above.

The Standard reserves the right to require additional financial information on any applications regardless of amount, if necessary to reach an underwriting decision or to secure reinsurance. The Standard also reserves the right to limit or modify the amount of insurance coverage offered regardless of earned income, other financial information or other insurance in force. Two years of tax returns are required for business owners applying for the Business Owner Upgrade.

Standard Insurance Company  
1100 SW Sixth Avenue  
Portland OR 97204  
800.247.6888

[www.standard.com](http://www.standard.com)

- <sup>1</sup> For some occupations, the occupation rating schedule in The Standard's Individual Disability Insurance Manual requires documentation of more than one year's earned income to qualify for an occupation classification. Examples include stockbrokers, real estate agents and insurance producers.
- <sup>2</sup> For bonus or commission to be considered as income, at least two years' documentation is required.
- <sup>3</sup> To be eligible for employer - paid limits, the premium cannot be included in taxable income and the employee may not reimburse the employer for the premium.
- <sup>4</sup> Up to 20 percent of Section 179 depreciation can be added to the income to allow for an additional benefit of up to \$1,000 a month.