

## LONG TERM DISABILITY

### Examples of calculating LTD premiums

Calculating Employee's **ANNUAL** Premium Example:

|          |          |   |     |   |        |   |         |
|----------|----------|---|-----|---|--------|---|---------|
|          | Annual   | / | 100 | x | Rate   | = | Annual  |
|          | Salary   |   |     |   |        |   | premium |
| Employee | \$30,000 | / | 100 | x | \$0.24 | = | \$72.00 |

Calculating Employee's **MONTHLY** Premium Example:

|          |         |   |    |   |         |
|----------|---------|---|----|---|---------|
|          | Annual  | / | 12 | = | Monthly |
|          | premium |   |    |   | premium |
| Employee | \$72.00 | / | 12 | = | \$6.00  |

\* **bi-weekly** premium, divide the annual premium by 26.

Example;  $\$72.00 / 26 = \$2.77$

\* **weekly** premium, divide the annual premium by 52.

Example;  $\$72.00 / 52 = \$1.38$