



Myth buster

Myth: I don't need additional disability income insurance.

By Donna Hein

Your benefits package through your employer may include disability income insurance. You don't need any additional personal coverage—or do you?

If you're unfamiliar with disability income insurance, it's a type of insurance that kicks in if you get sick or injured and are unable to work for a period of time. Essentially, it helps you pay the bills.

It's common for people to believe their coverage through their employer is enough. But Steve Sperka, vice president of Health Insurance Products at Thrivent, encourages you to think about two things as you review your financial strategy.

"First, how familiar are you really with the amount of coverage you have from your employer? Most

employer plans don't cover your entire salary," Sperka says. "They cover a portion, and that portion typically will be taxable because your employer is paying the premium."

A key question to consider: If something were to happen to you, would you be comfortable living on 40% or 50% of your salary?

Second, it's important to recognize that coverage from your employer is only connected to that employer, Sperka says.

"If you decide to change employers, you'll likely lose your coverage," he says. "You'll then have to count on the coverage of the next employer or purchase your own. And you can't guarantee your health or that you'd even be eligible to purchase coverage on your own."

Having individual disability income insurance puts you in control, Sperka says.

"You can have it at the level you want for you and your family," he says. "And it's portable—it goes with you to the next job."

Typically, you can purchase individual disability income insurance that wraps around your current employer plan, covering up to 75% of your total income. And the money from your personal contract likely wouldn't be taxable, Sperka says.

If you stay at home to take care of your family, Thrivent offers disability income insurance coverage for you also. If you get injured or ill, you may need to find someone to cook or care for children, which could add a financial burden to your family.

Thrivent and its financial professionals do not provide legal, accounting or tax advice. Consult your attorney or tax professional.

Disability income insurance contracts have exclusions, limitations and terms under which the benefits may be reduced, or the contract may be discontinued. For costs and complete details of coverage, contact your licensed insurance agent/producer.

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Do you have a personal finance myth you want busted? Send your ideas to thriventmagazine@thrivent.com and we'll consider your myth.

Correction: In this space in the Winter issue, the disclosure should have stated the value of a CD is guaranteed up to \$250,000 per depositor, per insured institution, by the Federal Deposit Insurance Corp. (FDIC). It incorrectly stated \$25,000.