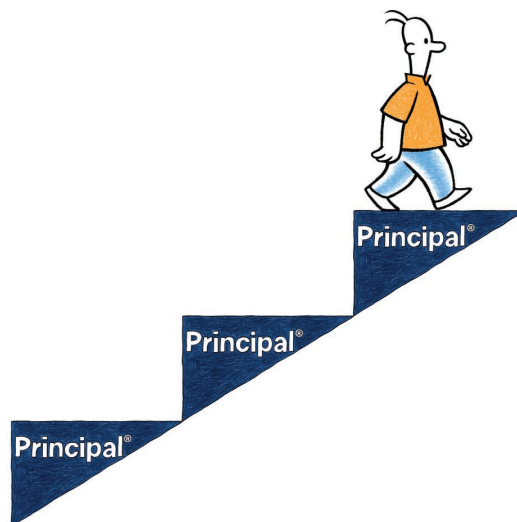


From Here to Security<sup>SM</sup>

# Individual Disability Income Insurance Worksheet



## How much disability insurance do you need?

Answer the following questions to determine your current need for disability income insurance protection. Sample answers are provided in the second column. For an easy-to-use, self-completing version of this calculator, visit [www.principal.com/disabilitysecure](http://www.principal.com/disabilitysecure).

MONTHLY DISABILITY BENEFITS AND ADDITIONAL INCOME	Yours	Sample
<b>Group Disability Insurance Benefit</b> ..... \$ _____ net How much would you receive each month from your company’s group disability insurance coverage? Be sure to deduct any income taxes that will be paid on the benefits you receive under this coverage. <i>Can you live on only 42% of your current monthly income? Since group disability insurance benefits are usually taxable, even a typical policy covering 60% of your income might not be enough.</i>	\$ _____ net	\$2,813 net <sup>1</sup>
<b>Individual Disability Income Insurance Benefit</b> ..... \$ _____ Enter your monthly benefit amount. Proceeds from individual disability income policies are typically not taxable if premiums are paid by you. Consult your tax advisor for details.	\$ _____	\$0
<b>Monthly Social Security Disability Benefit</b> ..... \$ _____ In most cases, this answer will be zero. For an exact figure, call 800-772-1213 toll-free, or visit the Social Security Administration website at <a href="http://www.ssa.gov/planners/calculators.htm">www.ssa.gov/planners/calculators.htm</a> . Do not enter an amount here if you have group disability insurance, since those benefits would be integrated with any Social Security disability benefits you might receive. <i>Less than half – 35% – of the 2.8 million workers who applied for Social Security Disability Insurance (SSDI) benefits in 2009 were approved<sup>2</sup>.</i>	\$ _____	\$0
<b>Additional Household Income</b> ..... \$ _____ Add the monthly net (take-home) value of rental income, your spouse’s income, investment returns, early IRA or pension distributions and other income sources. <i>71% of American employees live from paycheck to paycheck.<sup>3</sup></i>	\$ _____	\$0
<b>Total Monthly Disability Benefits and Additional Income</b> .....	<div style="border: 1px solid #0070c0; padding: 2px 5px; display: inline-block;">(A) \$ _____</div>	\$2,813

<sup>1</sup> Sample assumptions: Based on a \$75,000 annual income, 60% Group LTD coverage and a 25% tax rate.  
<sup>2</sup> Source: Social Security Online, disabled worker beneficiary statistics (<http://www.ssa.gov>)  
<sup>3</sup> Source: American Payroll Association, “Getting Paid in America” Survey, 2008.

**MONTHLY EXPENSES**

	Yours	Sample
<b>Mortgage/Rent</b> . . . . .	\$ _____	\$1,200
Even if your mortgage is paid off, be sure to consider the monthly cost of property taxes, association fees and any other homeowner expenses. <i>A Harvard University report reveals that 62 percent of all personal bankruptcies filed in the U.S. in 2007 were due to an inability to pay for medical expenses.</i> <sup>4</sup>		
<b>Utilities and Household Expenses</b> . . . . .	\$ _____	\$350
Total what you pay each month for electricity, gas, water, telephone, cable, Internet, trash collection and other monthly expenses.		
<b>Groceries and Household Supplies</b> . . . . .	\$ _____	\$500
Add up your typical monthly expenses for food and supplies. Be sure to include dining out.		
<b>Auto Payments and Expenses</b> . . . . .	\$ _____	\$300
Include monthly auto payments, fuel, licensing fees and maintenance costs, as well as a contingency fund for repairs.		
<b>Loans, Credit Cards and Charge Accounts</b> . . . . .	\$ _____	\$200
Total the amount you typically pay each month on your loans and credit cards. Include equity loans, college loans and loans from your life insurance policies. (Car loans and mortgage loans are included elsewhere.)		
<b>Insurance Premiums</b> . . . . .	\$ _____	\$300
Add up your current monthly premiums for medical, dental, life, auto, homeowner's and other types of insurance. (Do not count homeowner's insurance if it's included in your mortgage payment.)		

(continued on next page)

<sup>4</sup>Source: June 4, 2009 *The American Journal of Medicine*.

**MONTHLY EXPENSES (CONTINUED)**

	Yours	Sample
<b>Childcare</b> .....	\$ _____	\$500
Add the monthly costs of childcare, school lunches, special interests or events, etc.		
<b>Saving and Investing</b> .....	\$ _____	\$500
Total your monthly savings for retirement, college expenses or an emergency fund.		
<b>Other Monthly Expenses</b> .....	\$ _____	\$200
How much do you spend for clothes, entertainment and other monthly expenses?		
<b>Total Monthly Expenses</b> .....	(B) \$ _____	\$4,050
<b>Your Monthly Disability Income Gap</b> .....	(A-B) \$ _____	\$1,237
Keep in mind, individual disability income insurance does not cover 100% of your income. Your financial representative can illustrate the amount you're eligible for, based on current underwriting guidelines.		



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