Lincoln Financial

Calculate your premium

Follow these steps to calculate your premium and benefit.

Voluntary short-term disability insurance

Calculation		
Step 1	Determine your monthly rate per $10 of weekly benefit.	
Step 2	Determine your maximum weekly covered earnings. Divide your annual earnings by 52 to calculate your weekly earnings. If your weekly earnings exceed the maximum weekly covered earnings, your premium will be based off of the maximum weekly covered earnings amount.	
Step 3	Multiply weekly covered earnings by the maximum benefit percentage to calculate your weekly benefit. For example, if the percentage is 60%, use 0.60 in the calculation.	
Step 4	Is your benefit based on an incremental plan? No, skip to Step 5. If yes, determine your benefit election amount in increments (not to exceed the maximum benefit or the maximum weekly covered earnings calculated in Step 3).	
Step 5	Benefit based on percentage of salary plan? Divide the weekly benefit in Step 3 by $10, then multiply by your monthly rate to calculate your monthly premium cost.	Benefit based on incremental plan? Divide the weekly benefit election in Step 4 by $10, then multiply by your monthly rate to calculate your monthly premium cost.

Note: Premium rate is based on $10 of weekly covered earnings. The maximum weekly covered earnings are equal to the maximum weekly benefit divided by the benefit percentage. Cost of insurance may change in the future due to age and/or coverage amount elected.

Voluntary long-term disability insurance

Calculation	
Step 1	Determine your monthly rate per $100 of monthly covered payroll.
Step 2	Determine your maximum monthly covered earnings. Divide your annual earnings by 12 to calculate your monthly earnings. If your monthly earnings exceed the maximum monthly covered earnings, your premium will be based off the maximum monthly covered earnings.
Step 3	Benefit based on percentage of salary plan? Divide the monthly income by $100, then multiply by your monthly rate to calculate your monthly premium cost.

Note: Premium rate is based on $100 of monthly covered earnings. Cost of insurance may change in the future due to age.

Voluntary life and critical illness insurance

Calculation	
Step 1	Determine your monthly rate that corresponds with your or your spouse's age.
Step 2	Determine your desired coverage benefit amount in dollars.
Step 3	Divide the coverage benefit amount by $1,000, then multiply by your monthly rate to calculate your monthly premium cost.

Note: If your term life volume is based on a times salary benefit, use this quick formula to calculate precise volume.

Example:

Salary = $40,000.

Benefit = 150% [1.5]

Formula = $40,000 multiplied by 1.5 = $60,000.

Calculation for biweekly, weekly, and semimonthly rates:

Biweekly = Monthly rate multiplied by 12 and divided by 26.

Weekly [52] = Monthly rate multiplied by 12 and divided by 52.

Weekly [48] = Monthly rate multiplied by 12 and divided by 78.

Semimonthly = Monthly rate multiplied by 12 and divided by 24.

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