

# What Is Disability Insurance?

Disability insurance is a benefit that provides some compensation or income replacement for non-job-related injuries or illnesses that render you unable to work for a limited period of time.

	SHORT-TERM DISABILITY (STD)	LONG-TERM DISABILITY (LTD)	SOCIAL SECURITY DISABILITY (SSDI)
<b>Who provides this policy?</b>	Your employer might provide short-term disability insurance if you (the employee) elected and paid for this type of coverage. Some people elect to pay for a private policy instead.	Your employer might provide long-term disability insurance if you (the employee) elected and paid for this type of coverage. Some people elect to pay for a private policy instead.	Social Security Disability Insurance is a federal program managed by the Social Security Administration.
<b>Who is eligible for this benefit?</b>	Only full-time employees (30+ hours/week) are eligible.	Only full-time employees (30+ hours/week) are eligible.	<p>Applicants must:</p> <ul style="list-style-type: none"> <li>■ Be disabled, be unable to work for at least 1 year, or have a condition that will result in their death</li> <li>■ Have (or have had) a job that pays into the Social Security system</li> <li>■ Have 40 work credits as measured by the Social Security system. Workers under age 31 may qualify for SSDI based on a prorated number of work credits. (Each working year earns 4 credits. 20 credits must have been earned in the past 10 years.)</li> </ul> <p>Even if you are not a U.S. citizen, you may qualify for SSDI benefits through your work history, military service, or other criteria.</p>

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<b>Is my employer required to offer this policy?</b>	No. Only a few states (CA, HI, NJ, NY, and RI) require employers to offer short-term disability policies.	No. Fewer than 1 in 3 workers in the U.S. have long-term disability policies.	Not applicable.
<b>Do I need to file or apply for this benefit? How long will that take?</b>	Yes. Many policies have a requirement for how many days you are out of work before you can submit a claim. Speak with your employer's human resources department for more information.	Yes. Many policies have a requirement for how many days you are out of work before you can submit a claim. Speak with your employer's human resources department for more information. (Be aware that when short-term benefits roll to long-term benefits, you must also apply for Social Security Disability Insurance.)	Yes. After you submit an application, the Social Security Administration generally takes 3-5 months to make a determination. Compassionate Allowance applications take roughly 19 days to process. If your application is approved, there is a 5-month waiting period to receive your first payment. After receiving SSDI benefits for 24 months (2 years), you automatically qualify for Medicare.
<b>How much will I get paid?</b>	Income benefits are usually 50-80% of your earned base wage.	Income benefits are usually 40-60% of your earned base wage.	Benefit payments depend on your average lifetime earnings. If you receive other government benefits, those benefits might affect your SSDI payment. In 2020, the average monthly SSDI payment for an individual was \$1,258. You can visit the Social Security Administration website to calculate an SSDI benefit estimate.

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### How long does this benefit last?

Benefits typically last 3-6 months. Some policies last up to 1 year.

Benefits typically last 1-2 years, with some policies lasting as many as 5 years. Other policies end when you reach Social Security retirement age.

It depends. If you are awarded SSDI benefits, the Social Security Administration may periodically review your case to see if you continue to meet criteria for these benefits. It is possible to receive SSDI benefits until you reach retirement age.

### How much does a disability insurance policy cost?

When employers offer a policy, typically 1-3% of your annual gross wages retain that policy. Costs vary depending on factors such as weight, tobacco use, gender, age, profession, ZIP code, preexisting conditions, and more.

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SSDI is funded by payroll tax contributions by U.S. workers and their employers.