

Tennessee Board of Regents

Calculation Guideline

LTD134270: Long Term Disability Coverage

LTD Volumes are based on Covered Monthly Payroll

Calculation: Covered Monthly Payroll × Rate ÷ 100 = Premium Due

Core Class 1

Employee electing 50% of Covered Monthly Earnings to a \$2,000 maximum monthly benefit

- Maximum Insurable Salary: \$4,000.00
- Rate: \$0.114 per \$100 Covered Payroll

Premium Calculation Example:

- \$50,000 Annual Salary
- Monthly Covered Payroll: $50,000 \div 12 = \$4,166.67$
- Premium Due Calculation: $4,000 \times 0.114 = 456 \div 100 = \4.56
 - Monthly Premium Due - \$4.56

Core Class 2

Employee electing 60% of Covered Monthly Earnings to a \$4,000 maximum monthly benefit

- Maximum Insurable Salary: \$6,666.67
- Rate: \$0.185 per \$100 Covered Payroll

Premium Calculation Example:

- 50,000 Annual Salary
- Monthly Covered Payroll: $50,000 \div 12 = \$4,166.67$
- Premium Due Calculation: $4,166.67 \times 0.185 = 770.83 \div 100 = \7.71
 - Monthly Premium Due - \$7.71

Core Class 3

Employee electing 60% of Covered Monthly Earnings to a \$7,000 maximum monthly benefit

- Maximum Insurable Salary: \$11,666.67
- Rate: \$0.219 per \$100 Covered Payroll

Premium Calculation Example:

- \$120,000 Annual Salary
- Monthly Covered Payroll: $120,000 \div 12 = \$10,000$
- Premium Due Calculation: $10,000 \times 0.219 = 2,190 \div 100 = \21.90
 - Monthly Premium Due - \$21.90