

Learn the ins and outs of short-term disability

It's easy to build a disability solution from Principal® that fits clients of any size, with any budget. Start with our flexible disability insurance, then add extra provisions to get just the right mix for your client.

Why the definition matters

Our definition of short-term disability (STD) uses “own job” instead of the more common “own occupation.” What’s the difference? Employees using STD benefits are generally expected to return to their **original job**. When we determine if an employee’s disability qualifies for benefits, we look at the **job** he or she is performing on the date of disability, not the broader **occupation**.

Example: A regional accounting manager who travels for his job can no longer travel due to an injury. Under our **own job** definition, this person qualifies for STD because he can no longer travel. Under an **own occupation** definition, this person doesn’t qualify for STD because travel is generally not a requirement with the general duties of an accountant.

How are benefits paid?

Traditional (employer-paid)
coverage: Percentage of salary

Voluntary (employee-paid)
coverage: Percentage of salary or set benefit amounts purchased in increments

One small word makes a big difference

Just one word can determine when—or if—an employee qualifies as disabled. That word is “or.” Employees qualify for benefits by meeting either of the following criteria:

Unable to perform the majority of substantial duties of their own job

or

Unable to earn 80% of their pre-disability income

This means that employees who are **not totally** disabled may still qualify from day one.

Here’s what Principal short-term disability offers:

A flexible, client-centered approach



Benefit design flexibility



Incentives for rehabilitation and return to work



Knowledgeable disability management services teams that monitor claims, control costs, and help disabled employees return to work

Standard and optional features

Recurring Disability Provision. Protects disabled employees who recover during the benefit payment period and become disabled again from the same or related cause. If the recovery lasts 30 days or less, benefit payments begin on the day the disability recurs.

Reasonable Accommodation Benefit. Reimburses the customer for expenses used to modify the worksite to allow a disabled employee to return to work.

Rehabilitation Incentive Benefit. Increases the benefit percentage for disabled employees who agree to participate in rehabilitation programs.

Traditional and voluntary short-term disability product features

Policy provision	Standard	Optional
Eligible employees	Active, full-time employees who work 30+ hours a week, except seasonal, contracted, part-time, or temporary employees. Employees must reside in the U.S.	Eligibility hours of less than 30 hours a week may be available upon request.
Definition of disability	“Or” definition	Partial or total definitions of disability
Benefit percentage or amount	Traditional and voluntary percent of salary: 60% Voluntary increments: \$50	Traditional and voluntary percent of salary: 40%, 50%, and 66 2/3%. Traditional percent of salary: 70%
Elimination period	Benefit payments begin on the 8th day for accidents, 8th day for illnesses (8/8)	Options from 1 to 90 days for accidents, and 8 to 90 days for illnesses
Benefit payment period	26 weeks	Options from 4 to 104 weeks
Work incentive benefit	Included when STD is integrated with long-term disability (LTD)	Can be removed upon request
Recurring disability provision	30 days	No additional options
Type of coverage	Non-occupational	24-hour coverage
Maximum benefit	\$1,500 per week	\$100 to \$2,500 per week
Minimum benefit	Traditional and voluntary: \$15 weekly	No additional options
Coordination of benefits	Direct – Full family	No additional options
Pre-existing conditions limitation (voluntary or groups with <10 insured employees)	3/12	12/12, 24/24
Replacement of prior plan	Included for transfer cases	No additional options
Survivor benefit	None	3 times gross weekly benefit
Reasonable accommodation benefit	\$500 per claim included when STD is integrated with LTD	Can be removed upon request
Rehabilitation incentive benefit	5% increase in benefit percentage included when STD is integrated with LTD	Can be removed upon request

Our policy does not provide state mandated benefits in CA, HI, NJ, NY, RI.



This summary is for brokers only. It provides general information about short-term disability insurance from Principal®. The group policy determines all rights, benefits, limitations, and exclusions of the coverage described here. Contact your local sales representative for more information, including availability of specific products in your state. Disability insurance from Principal® is issued by Principal Life Insurance Company, Des Moines, Iowa 50392-0002, principal.com.

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