

## General Information

- Short-Term Disability provides 66 2/3% of your salary to you when you are on an approved disability leave.
- Employees have a choice to pay tax on the value of the premium or, if you become disabled, pay a much higher tax on the benefit.
- By choosing to pay tax on the premium, this increases the value of your **company paid benefit**, by letting you choose to take it (federal and most state) tax free.

## How does it work?

- Engility gives you the value of the premium in your paycheck, then it will be deducted from your paycheck. The net effect is that you will pay a tax on the value of the premium payment as if that were part of your salary.
- Below is an example of how the taxation process works:

Option	Base Salary	Company Paid bi-weekly Premium	Annual Employee Premium tax	Monthly Employee Benefit tax (30%)	Monthly Employee STD Benefit
Tax the Benefit	\$50,000	\$7.43	\$0.00	\$833.38	\$1,944.54
Tax the Premium	\$50,000	\$7.43	\$57.92	\$0.00	\$2,777.92

- Certain states have statutory benefits. If you live in NY, NJ or HI, your Engility plan supplements the state plan and the taxation difference may be smaller.

## Questions

- For benefits questions, contact us at [Engility.Benefits@engility.com](mailto:Engility.Benefits@engility.com)