



DISABILITY INSURANCE HELPS EMPLOYEES REACH RETIREMENT

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Reaching retirement is difficult for many employees, but shaky 401(k) accounts aren't the only culprit. At some point, one in four employees suffers from a disability that takes him or her out of the workforce for an average of 31.5 months, and this period away from work can be financially devastating for those who aren't covered by disability insurance, says Alex Dumont, associate vice president of product marketing at The Standard.

"People end up drawing into their 401(k) savings just to get by," Dumont says. "They don't have private pension coverage; at best, they have 401(k) defined benefit plans, and they're forced to draw upon those plans before retirement just to be able to weather the storm."

Younger workers are especially susceptible to ignoring the odds of disability, Dumont says. A feeling of invincibility is often found among younger workers; however, the statistics are not on their side, as earlier noted.

"The financial health of our younger generation is at risk in today's economy," Dumont says. "We need to help them better understand the issues they are faced with and also the tools that they have to be able to put themselves in a better position, and disability insurance is one of those important tools."

Helping employees better understand how their benefits can help them reach retirement all starts with strong communication, and there are many online tools that allow employers to do so, Dumont says.

For instance, Defend Your Income, an online program by the Council for Disability Awareness, is designed as a game for employees with built-in calculators and quizzes that review disability benefits. With online tools, employees are engaged in the education process as they can see how certain benefits impact their financial health, which encourages them to take action.

"Online tools help employees better understand life and disability insurance in a simplified way," Dumont says. "They are really engaging and customized based on the benefit offerings, and they are a unique opportunity for employers to be able to engage employees in a variety of different ways relative to education."

For a more traditional approach, Dumont finds that group meetings are effective. Being in a group environment allows employees the chance to hear comments from their peers regarding their

options, which can bring forth additional questions. With more questions and comments, employees can better understand how their benefits work in relation to retirement.

“Some people are shy about asking questions or are unsure what their questions are,” Dumont says. “They can reap the knowledge provided by other folks asking questions.”

As the year goes on, an employer should continue to deliver its benefits message, Dumont says. Only communicating benefits during enrollment is not enough. Of course, communication during open enrollment is crucial because of its call-to-action nature, but employees most effectively use their benefits when they are reminded of their access and how these benefits can work for them.