LTD Tax Choice Election Form 2026

The Long Term Disability plan replaces 60% of your income if you become disabled. Since the premium is paid by Northwest Center, the benefit is taxed and actual income replacement can be significantly lower. Because of the financial hardship associated with disability, Northwest Center has established a Tax Choice option that provides a tax-free benefit.

If you elect the Tax Choice option, your LTD benefit would not be taxable. The employer-paid premium would be included in your taxable income and you would pay taxes on this premium. The taxes would be deducted from your bi-weekly paycheck in the same manner as your regular earnings.

Please check the appropriate box below to elect or decline the Tax Choice option. You can only change your election during Open Enrollment.

☐ **I elect the Tax Choice option** (I agree to be taxed on the LTD premium paid by NWC, which will ensure my LTD benefit is not taxable if I become disabled and eligible for LTD)

☐ **I decline the Tax Choice option** (I will not be taxed on the LTD premium paid NWC, which means I will be taxed on my LTD benefit if I become disabled and eligible for LTD)

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Employee Signature

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Employee Name (print)

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Date