

Comparing Long-Term Disability Coverage

	Coverage under the BorgWarner Provided LTD plan (50% benefit)	Upgrade Coverage through the Optional LTD70 Plan (70% benefit)
Cost of Coverage	Company Paid <ul style="list-style-type: none">No cost to you	You and the company share the cost <ul style="list-style-type: none">An employee after-tax contribution required and automatically deducted from your pay each monthYour required contribution amount can be found on your online enrollment form in Workday*
Benefit Amount	Less of a Benefit <ul style="list-style-type: none">50% of your current BASE PAY only	Greater Benefit <ul style="list-style-type: none">70% of your current BASE PAY plus the average of your past three years of BONUS PAY—meaning your benefit will be greater for two reasons:<ul style="list-style-type: none">+ It pays an additional 20% benefit for a total of 70%+ It is calculated off a larger amount (base pay + bonus)
Tax Consideration for Benefits Received	Higher Taxes <ul style="list-style-type: none">You are taxed on the entire benefit received because the company paid the full cost of coverage	Lower Taxes <ul style="list-style-type: none">You are taxed only on the 20% portion of the benefit received because you paid a part of the cost of coverage