

Essential Tips

The difference between a monthly disability pay-out vs lump sum



Lump sum disability pay-out

What does it pay?
A lump sum.

When does it pay?

If you become permanently disabled and unable to work. Most benefits also cover you for certain illnesses or injuries even if you can still work.

Advantages

The lump sum can be used to pay off costs like a mortgage or generate an income from.

Challenge

You are responsible for ensuring the funds last you the duration of your disability.



Monthly disability pay-out

What does it pay?
A monthly income.

When does it pay?

When you are temporarily or permanently unable to work because you're ill or injured. Some benefit options will also pay if you suffer certain illnesses or injuries even if you can still work.

Advantages

You're assured of a regular source of income.

Challenge

If the cover amount you selected was too small, the pay-out may not be sufficient to cover your daily expenses.

