

## Excess Group Term Life Rates

Since 1988, IRS regulations have required that group term life benefits in excess of \$50,000 must be reported as income on an employee's Form W-2. Under Internal Revenue Code §79, an employee is not taxed on the value of the first \$50,000 of group term life insurance coverage provided by an employer. Amounts over \$50,000 are generally taxed in increments of \$1,000 based on the age of the employee, less any employee contribution for the cost of the coverage. The value of the group term insurance is determined using the age-related rates in the enclosed table.

For example, a 52-year-old with \$150,000 of group term life insurance coverage has imputed income of \$23 per month. The calculation is as follows: The first \$50,000 of coverage is tax-free. The remaining \$100,000 of coverage is calculated by using the rate of  $\$.23 \times 100$ .

If you have questions, please let us know.

Age	GTL Insurance Premium
Under 25	\$.05
25-29	\$.06
30-34	\$.08
35-39	\$.09
40-44	\$.10
45-49	\$.15
50-54	\$.23
55-59	\$.43
60-64	\$.66
65-69	\$1.27
70 & above	\$2.06