

BOARD OF COUNTY COMMISSIONERS GROUP TERM LIFE INSURANCE

The supplemental group term life insurance may have a minimal impact on your taxable income in the event the cumulative value of your life insurance is over **\$50,000.00**, which is called group-term life imputed income. This includes both supplemental that you elect for yourself, spouse and/or children. Per IRS Publication 15-B, the IRS table first determines the total insurance value of employer provided and additional supplemental life over **\$50,000**, then the IRS table determines if your pay is less or more than the IRS uniform premium table. The after tax amount you pay will either cancel out or reduce the amount of the imputed income taxable amount.

Each pay date the taxable imputed income amount for the additional supplemental insurance over **\$50,000**, and if applicable the spouse and dependent taxable imputed income will appear on your paycheck under "Employer Paid Benefits" with an asterisk (*) next to the benefit description. The same description that is used for the before/after tax deduction will be used for the taxable imputed income amount under the Employer Paid Benefits:

“ * Taxable benefit added to taxable wages and not gross pay”

The imputed income dollar amount is subject to federal income and social security taxes and is not added to gross pay. The imputed income is required to be reported on your 2009 W-2 (box 12) for the amount calculated in December, and on future W-2's.

Below is the IRS premium table of the imputed income rate calculation by age:

**2010 IRS Group Term Life Rates
Cost of Life Insurance Imputed Value Over \$50,000.00**

Age	Cost per \$1,000.00 per Month	Age	Cost per \$1,000.00 per Month
0-25	0.05000	50-54	0.23000
25-29	0.06000	55-59	0.43000
30-34	0.08000	60-64	0.66000
35-39	0.09000	65-69	1.27000
40-44	0.10000	70-	2.06000
45-49	0.15000		

Example: Year Old	Employee 65	Spouse Age 61
Employer paid insurance	25000.00	
Employee supplemental	60000.00	
Total Ins	85000.00	
Excluded amount	-50000.00	
Net taxable value	35000.00	25000.00
IRS Factor for age 65	1.2700	0.6600
Taxable amount	44.45	16.50
Monthly taxable amt	44.45	16.50
Divide by 2 (bi-weekly)	.2	.2
Bi-weekly amount	22.225	8.25
Minus employee paid after tax	-7.52	-1.61
Taxable Life Insurance *	14.71	6.64