

## Basic Life Insurance- Imputed Income

The Internal Revenue Service (IRS) requires that you be taxed on the value of paid group life insurance coverage exceeding \$50,000. This is known as “imputed income”.

When your group life insurance exceeds \$50,000, you must pay taxes on the value of the amount over \$50,000. That amount is reported to the IRS in Box 12 of your year-end W-2 form. The tax is based on your age on the last day of the calendar year and increases in five-year increments. See the imputed income rate chart below.

<b>IRS BASIC LIFE IMPUTED INCOME CHART</b> (Monthly Cost Per \$1,000 of Coverage in Excess of \$50,000)	
<b>AGE</b>	<b>COSTS</b>
Younger than 25	\$0.05
25 through 29	\$0.06
30 through 34	\$0.08
35 through 39	\$0.09
40 through 44	\$0.10
45 through 49	\$0.15
50 through 54	\$0.23
55 through 59	\$0.43
60 through 64	\$0.66
65 through 69	\$1.27
70 and older	\$2.06

