PERFORMANCE EVALUATION for your *employer owned life insurance*

HAVE YOU PROTECTED LIFE'S PLAN?

Are you aware that life insurance death benefits paid to an employer are subject to income tax?

The general rule is that the death benefit of an employer-owned life insurance contract is taxable.

You can protect the nontaxable status of life insurance contracts in your care by complying with certain disclosure, consent and reporting requirements.

Compliance with these requirements are outlined in Section 101(j) of Internal Revenue Code (I.R.C.), which came into effect with the adoption of the Pension Protection Act on August 17, 2006.

PERFORMANCE EVALUATION is a consumer-driven process focused on evaluating the performance of your policy while maintaining compliance under the guidance of current tax laws.

A benefit we offer at no cost.

Life insurance proceeds paid to an employer are generally considered taxable unless certain requirements are met.

Step 1 Employee Exceptions

There are two classes of exceptions to the general rule that excess death benefit proceeds are taxable.

Step 2 Notice and Consent Requirements

Employee must be notified in writing and must consent in writing to specific guidelines prior to issue of the policy.

Step 3 Annual Reporting Requirements

Employers are required to submit I.R.S. Form 8925 for each year that it owns one or more policies subject to I.R.C. §101(j).

The resulting Performance Evaluation Report provides the analysis you need to make informed decisions on this very important financial product – the life insurance policy in your care.

Talk to your financial advisor about a free Performance Evaluation. We're eager to help.

Performance Evaluation outlines the processes that protect death benefits from unnecessary taxation with an eye towards maximizing contract value.