

**Taxable Amount of Group-Term Life Insurance Coverage
To Include in Employee's Income For 2025**
(Not applicable to 2% or more "S" corporation shareholder-employees)

Employee Name _____

Employee's Age as of 12/31/25 (or date of birth) _____

1. Life insurance coverage amount provided to employee during 2025 \$ _____
2. Less nontaxable coverage \$ _____ (50,000)
3. **Taxable coverage (if zero or less, STOP - no taxable income to employee)** \$ _____
4. Divide Line 3 by \$1,000 to the nearest tenth of \$1,000 (i.e., \$75,250 rounds to 75.3) \$ _____
5. Cost per \$1,000 of coverage for 1 month (See IRS table below based on employee's age at 12/31/25) \$ _____
6. Multiply Line 4 x Line 5 to determine monthly cost of excess coverage over \$50,000 \$ _____
7. Number of months the employee had this level of coverage in 2025 _____
8. Year 2025 cost of excess coverage over \$50,000 - multiply Line 6 x Line 7 \$ _____
9. Less amount employee paid for coverage with after-tax dollars (\$ _____)
10. Taxable cost of excess group-term life insurance coverage in 2025 – Line 8 Less Line 9 \$ _____ *

*This amount is taxable income to the employee on Form W-2 and is subject to FICA and Medicare taxes (both employee withholding and the employer match). No income tax withholding is required. Additionally, this amount is not subject to federal or state unemployment taxes.

5-Year Age Bracket	Cost per \$1,000 for One Month
Under 25	\$0.05
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 and above	2.06

Important Note - Please provide us this information by December 2nd so we can withhold the appropriate taxes for this year.