

**Employer's Worksheet to Calculate Employee Taxable Income Resulting
From Group-Term Life Insurance In Excess of \$50,000**

Employee Name _____

Employee's Age on December 31 _____

- | | |
|--|-------------------|
| 1. Amount of life insurance coverage provided to employee during 2018 | \$ _____ |
| 2. Less nontaxable coverage | \$ _____ (50,000) |
| 3. Taxable coverage (if zero or less, STOP – not taxable income to employee) | \$ _____ |
| 4. Cost per \$1,000 of excess coverage (from IRS table below based on employee's age on December 31) | \$ _____ |
| 5. Total number of months the employee was covered in 2018 | _____ |
| 6. Cost of excess coverage over \$50,000 - multiply line 4 x line 5 | \$ _____ |
| 7. Less amount employee paid for coverage with after-tax dollars | \$ (_____) |
| 8. Taxable cost of excess group-term life insurance coverage in 2018 – line 6 less line 7 | \$ _____ |

The taxable cost of excess coverage must be included in taxable income on the employee's Form W-2, and is subject to FICA Social Security and Medicare taxes for both the employee and employer. This income is not subject to federal or state unemployment taxes.

5-Year Age Bracket	Cost per \$1,000 of Coverage Per 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

Note – This worksheet is not applicable to employees who are also 2% or more shareholders in an S corporation. The entire cost of group-term life insurance coverage for S corporation shareholders must be included in his or her wages.

Please return this document before your final 2018 payroll so that the appropriate taxes may be withheld for this year.