Cohen & Co[®]

UPDATED DECEMBER 2023

GROUP LIFE INSURANCE COVERAGE IN EXCESS OF \$50,000

Generally, the cost of up to \$50,000 of group term life insurance coverage provided for your employees is not taxable to them. However, you must include in employee wages the cost of insurance in excess of \$50,000 for any month. This taxable fringe benefit is reduced by any employee contribution.

The amount is reported as wages on Form W-2 and is subject to social security and Medicare taxes.

The amount is calculated for <u>each</u> month of coverage by multiplying the number of thousands of dollars of coverage in excess of \$50,000 to the nearest tenth by the cost from the following table. You must prorate the cost if less than a full month of coverage is involved.

Cost per \$1,000 of coverage for one month:

January 1 - December 31		
Age	<u>Cost/Month</u>	
Under 25	5 cents	
25 through 29	6 cents	
30 through 34	8 cents	
35 through 39	9 cents	
40 through 44	10 cents	
45 through 49	15 cents	
50 through 54	23 cents	
55 through 59	43 cents	
60 through 64	66 cents	
65 through 69	\$1.27	
70 and older	\$2.06	

COHEN & COMPANY, LTD. 800.229.1099 | 866.818.4538 fax | cohencpa.com If you would like us to calculate the amount to be reported as wages, please complete the following and return to us.

Please list the name, age and excess coverage for each employee:

EMPLOYEE NAME	BIRTH DATE	COVERAGE IN EXCESS OF \$50,000
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