

Investing in You

Culture ▪ Career ▪ Total Rewards ▪ Well-being

Edward Jones

U.S. Taxation of Group Life Insurance

The Internal Revenue Service requires that associates pay tax on the "imputed income" value of employer- paid life insurance coverage that exceeds \$50,000. The value of the coverage is the cost the IRS assumes you would pay if you purchased an individual policy. The value is based on your age and the amount of coverage that exceeds \$50,000.

Example:

Edward Jones provides Jane, a branch office administrator, with Basic Life insurance coverage of \$100,000 and premiums are paid for by Edward Jones. Jane is 45 years old. The \$100,000 of Basic Life coverage is reduced by \$50,000 because the first \$50,000 of coverage is not subject to tax. Using the appropriate age and rate in the IRS table below, the imputed income of the remaining \$50,000 of Jane's coverage is \$7.50 ($\$.15 \times 50$) per month. \$7.50 per month is added to Jane's income and is subject to taxation.

The IRS table used to determine the imputed income amount attributable to group-term life insurance is:

Age	Cost per \$1,000 of coverage for 1 month
Up to 24	\$.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+	2.06

If you have any questions about this information, contact HR Help:
HRHELP@edwardjones.com, or call 1- 800-440-3060, or ext. 5-1006.