

WESTBROOK & CO., P.C.
INFORMATION REGARDING COMPENSATION FROM
GROUP-TERM LIFE INSURANCE PAID BY EMPLOYERS
2023

The Internal Revenue Service allows an employer to exclude from its insured employees' wages the cost of up to \$50,000 of group-term life insurance. However, the insured employees must include in their wages a computed amount for the cost of the policy which is in excess of \$50,000. If your group-term life insurance plan favors key employees as to participation or benefits, then you must include the entire cost in wages for key employees. If the employer is the beneficiary of the policy, then the cost is not includible in wages. Amounts are includible only if the employee may designate the beneficiary of the policy. An employer must file a Form W-2 for these employees, which includes the computed cost of the excess policy amount in their wages as adjusted for employment taxes and required withholdings. You must include the cost of all group-term life insurance coverage provided to 2% shareholders if you are an S Corporation.

The employee's portion of employment taxes for this benefit can be withheld from the employee only if you **RETURN THIS COMPLETED FORM BEFORE YOUR LAST PAYROLL FOR THE YEAR.** Otherwise, you as the employer will pay both the employee and employer portions of employment taxes when the benefit is added to wages as a year-end adjustment. If you elect to include as a year-end adjustment, then **RETURN THIS FORM BY DECEMBER 15, 2023**, so that we can determine employees for which this computed cost should be included on Form W-2. This determination must be made **prior to completing Form 941 and Forms W-2** since it will result in an adjustment to these forms. If you are a *semi-weekly depositor*, the tax liability payment resulting from a year-end adjustment must be initiated no later than FRIDAY, JANUARY 5, 2024. The adjustment is effective on the last day of the year which is a Sunday. Therefore, if you are a *semi-weekly depositor*, please return this form no later than **DECEMBER 15, 2023**.

PLEASE COMPLETE THE FOLLOWING:

1. We do/do not (circle one) have employees for whom we pay premiums for group-term life insurance in excess of \$50,000.

If you do have such employees, please complete all of the information below. If you do not have such employees complete item 2 only and **sign below**.

2. Corporate Name (Payer): _____

Address: _____

Federal Identification Number: _____

Insured employee	Employee's age as of the last day of the year	Group-term life insurance policy amount	Annual group-term life insurance premium paid by employee	Key Employee Yes or No

Note: Any amount paid by the employee during the tax year toward the purchase of group-term life insurance coverage on the employee's life reduces the amount included in gross income.

Signature: _____ Date: _____