

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 each 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:

<u>January 1 - December 31</u>	
<u>Age</u>	<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

