

**Coverage over the limit.** You must include in your employee's wages the cost of group-term life insurance beyond \$50,000 worth of coverage, reduced by the amount the employee paid toward the insurance. Report it as wages in boxes 1, 3, and 5 of the employee's Form W-2. Also, show it in box 12 with code "C." The amount is subject to social security and Medicare taxes, and you may, at your option, withhold federal income tax.

Figure the monthly cost of the insurance to include in the employee's wages by multiplying the number of thousands of dollars of all insurance coverage over \$50,000 (figured to the nearest \$100) by the cost shown in the following table. For all coverage provided within the calendar year, use the employee's age on the last day of the employee's tax year. You must prorate the cost from the table if less than a full month of coverage is involved.

**Table 2-2. Cost Per \$1,000 of Protection For 1 Month**

<u>Age</u>	<u>Cost</u>
Under 25 . . . . .	\$ .05
25 through 29 . . . . .	.06
30 through 34 . . . . .	.08
35 through 39 . . . . .	.09
40 through 44 . . . . .	.10
45 through 49 . . . . .	.15
50 through 54 . . . . .	.23
55 through 59 . . . . .	.43
60 through 64 . . . . .	.66
65 through 69 . . . . .	1.27
70 and older . . . . .	2.06

You figure the total cost to include in the employee's wages by multiplying the monthly cost by the number of full months' coverage at that cost.