



Examples of Imputed Income

Employee Life Insurance Imputed Income – Before- Tax

Age as of 12/31/2024	35	
Coverage Amount for Plan Year 2024	\$156,000.00	
Employee Life Insurance Before-tax Monthly Deduction Amount	\$ 10.06	
Calculating Imputed Income		
Step 1: Subtract \$50,000 from the Employee Life Insurance total coverage amount	\$156,000.00 - \$50,000.00	\$106,000.00
Step 2: Divide the Excess Coverage amount by 1,000	\$106,000.00/1000	\$ 106.00
Step 3: Determine the monthly cost using Table 2-2* and the employee’s age as of December 31 of the coverage year.	35	\$.09
Step 4: Multiply the result of Step 2 by the Table 2-2 cost from Step 3.	\$106.00 * .09	\$ 9.54
Step 5: Subtract the after-tax monthly deduction amount from Step 4 result.	\$9.54 - \$0.00	\$ 9.54
Monthly Imputed Income for Plan Year 2024		\$ 9.54

*Table 2-2 is below.

Employee Life Insurance Imputed Income - After-Tax

Age as of 12/31/2024	62	
Coverage Amount for Plan Year 2024	\$301,000.00	
Employee Life Insurance After-tax Monthly Deduction Amount	\$ 103.04	
Calculating Imputed Income		
Step 1: Subtract \$50,000 from the Employee Life Insurance total coverage amount	\$301,000.00 - \$50,000.00	\$251,000.00
Step 2: Divide the Excess Coverage amount by 1,000	\$251,000.00/1000	\$ 251.00

Step 3: Determine the monthly cost using Table 2-2* and the employee's age as of December 31 of the coverage year.	62	\$.66
Step 4: Multiply the result of Step 2 by the Table 2-2 cost from Step 3.	\$251.00 * .66	\$ 165.66
Step 5: Subtract the after-tax monthly deduction amount from Step 4 result.	\$165.66 - \$103.04	\$ 62.62
Monthly Imputed Income for Plan Year 2024		\$ 62.62

*Table 2-2 is below.

Spouse Life Insurance Imputed Income – After Tax

Age as of 12/31/2024	64	
Coverage Amount for Plan Year 2024	\$150,000.00	
Spouse Life Insurance After-tax Monthly Deduction Amount	\$ 87.70	
Calculating Imputed Income		
Step 1: Divide the Coverage amount by 1,000	\$150,000.00/1000	\$ 150.00
Step 2: Determine the monthly cost using Table 2-2* and the spouse's age as of December 31 of the coverage year.	64	\$.66
Step 3: Multiply the result of Step 1 by the Table 2-2 cost from Step 2.	\$150.00 * .66	\$ 99.00
Step 4: Subtract the after-tax monthly deduction amount from Step 3 result.	\$99.00 - \$87.70	\$ 11.30
Monthly Imputed Income for Plan Year 2024		\$ 11.30

*Table 2-2 is below.

Note: If the After-tax monthly deduction amount is more than the Table 2-2 cost calculation, there is no imputed income.

IRS Imputed Income Table 2-2*

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

<u>Age</u>	<u>Cost</u>
Under 25	\$ 0.05
25 through 29	0.06
30 through 34	0.08
35 through 39	0.09
40 through 44	0.10
45 through 49	0.15
50 through 54	0.23
55 through 59	0.43
60 through 64	0.66
65 through 69	1.27
70 and older	2.06