

130.2 Group Term Life Insurance

The cost of Group-Term Life Insurance provided to employees, with premiums paid by the University is subject to tax if the amount of coverage exceeds \$50,000. Premiums paid for any coverage provided to the employee above \$50,000 will be added to the employee's taxable income.

Example:

Baylor provides a \$100,000 life insurance policy for Employee X. Premiums on a \$50,000 policy are \$60/month and premiums on a \$100,000 policy are \$90/month. The employee's taxable income would be increased by \$40 for the month.