

NPUT IMPUTED INCOME TAX E-MAIL
NEW PALTZ UNITED TEACHERS BENEFIT TRUST FUND

Ron Noelle, Administrator

IMPUTED INCOME

January 31, 2018

IMPUTED INCOME

You will be receiving an Imputed Income Tax Notice or an IRS 1099 Form. The IRS requires that we annually report the taxable value of the life insurance provided by the Trust in excess of \$ 50,000 and the taxable value of the Legal Plan. According to the IRS some benefits are not tax free when provided by an employer or Trust. These benefits are considered in lieu of income and the value of the benefit must be reported as income (Imputed Income).

The Trust has to report the imputed income. In accord with the legal requirements. Preferred Group Plans (PGP) for the Trust Fund yesterday issued to each member:

- (a) with a tax liability less than \$ 600 a Notice stating their tax liability,
- (b) with a tax liability in excess of \$ 600 a 1099 Misc. form, copy filed with the IRS.

We urge those that receive the letter or the 1099 Misc. form to share the form with their tax preparer and be aware that the issuing of a 1099 Misc. form is filed with the IRS.

The NYSUT Pre-Paid Legal plan has a taxable value of \$ 87 (annualized).

For Active Staff :

- (1) The \$ 200,000 Term Life insurance provided by the Trust to those less than age 65, the taxable value is the cost as if you purchased \$ 150,000 life insurance (the excess over \$ 50,000) . It is as if you purchased \$ 150,000 life insurance based on your age at the end of the calendar year.
- (2) If you are between age 65 and 69 your coverage is \$ 130,000 and your Imputed Income is based on \$ 80,000 (\$ 130,000 - \$ 50,000).
- (3) If you are age 70 or above your coverage is \$ 100,000 and your Imputed Income is based on \$ 50,000 (\$ 100,000 - \$ 50,000).

If there are questions don't hesitate to call me, 845-255-5770.

