



Group-Term Life Report

Frequently Asked Questions

At the beginning of the calendar year, employers receive an **INITIAL** Group-Term Life Tax Report, which lists all enrolled workers and their respective monthly imputed income, and FICA or SECA amounts for the upcoming year. If any enrolled workers experience a life event resulting in a change to these amounts, an updated report will be issued in the following month including **ONLY** these changes.

How do I get this report?

Each year you will be mailed the first annual report which includes all eligible members and their GTL information. Each subsequent month you will be mailed any monthly updates **ONLY IF** changes occurred to your workforce. In December, you will receive a comprehensive report showing all workers and any changes that occurred throughout the calendar year.

Are they available online?

Group-Term Life reports are not currently available on the Employer Portal. However, we are working to have it added and will provide details as they become available.

What happens if there is no report for the month?

If an employer does not have any GTL changes identified in the monthly report, no report will be mailed.

How do I read this report?

Columns A and C display monthly totals for taxable income and FICA or SECA tax calculations, based on the rate displayed on Column B. These monthly amounts should be used to calculate your workers' annual amount of imputed income and FICA or SECA tax withheld.

Columns D and E display 'Start' and 'End' dates. If an End date appears in Column E, the employee has experienced a mid-year life event resulting in a change in the amount of GTL coverage.

For lay employees, during the time period between the Start and End date, include the amount in Column A in monthly income and withhold the FICA amount in Column C. If no End date appears in Column E, continue to include the amount in Column A in monthly income and withhold the FICA amount as shown in Column C.

For ministers of religion who have voluntarily elected to have their employer withhold income tax, during such time period, include the amount in Column A in monthly income.

Note: If a worker has a mid-year change in coverage, they may appear on the report more than once.

Sample report:

Employer #	Last Name ID Number	First Name SSN	A Monthly Taxable Income	B FICA or SECA Rate	C Monthly FICA or SECA	D Start	E End
01234	Smith 12345	John XXX-XX-0000	\$26.41	0.0765	\$2.02	03/01/2025	
01234	Jones 55555	Jane XXX-XX-0001	\$8.60	0.0765	\$0.66	01/01/2025	02/28/2025
01234	Teacher 44444	Bill XXX-XX-0002	\$13.20	0.0765	\$1.01	01/01/2025	02/28/2025
01234	Weathers 99999	Crystal XXX-XX-0003	\$20.60	0.0765	\$1.58	01/01/2025	05/31/2025
01234	Kirche 54321	Magnus XXX-XX-0004	\$59.94	0.153	\$9.17	01/01/2025	03/31/2025
01234	Changes-A-Lot 10000	Katherine XXX-XX-0005	\$59.80	0.0765	\$4.57	01/01/2023	01/31/2025
01234	Changes-A-Lot 10000	Katherine XXX-XX-0005	\$61.09	0.0765	\$4.67	02/01/2025	

What do I do with this report?

1. Adjust payroll accordingly.

- **For lay employees**, during the time period between the Start and End date, include the amount in Column A in that member's monthly income and withhold the FICA amount in Column C from that member's pay.

CPS recommends withholding FICA each pay period and using these monthly totals to calculate how much monthly imputed income is to be reported, and in turn the amount of FICA taxes is to be remitted each pay period. However, the FICA amount can be withheld from the employee's salary in a single payroll period, or pro rata depending on the method desired by the employer.

The withholding of FICA tax for GTL coverage should be included with normal withholdings for an employee's salary. If no end date appears in Column E, continue to include the amount in Column A in monthly income and withhold the FICA amount as shown in Column C.

- **For ministers of religion** who have voluntarily elected to have their employer withhold income tax, during such time period, include the amount in Column A in monthly income. Rostered members are responsible for remitting their SECA tax amounts to the IRS with all other Social Security taxes. To inform your rostered members of their GTL amounts, please refer to sample text at the end of this document.

2. Include on employee's W2 Forms. Please refer to the IRS General Instructions publication for the appropriate calendar year for more detailed instructions.

Paycor is asking for a code to enter GTL, what do I use?

All CPS Ministries using Paycor services should use the following code for Group-Term Life payroll reporting:
GL50NkNc

I already deducted an incorrect amount; how do I fix this?

Here are instructions and an example of how to correct GTL deductions.

Instructions:

1. Calculate the difference between what was reported on your payroll and the updated value.
2. Multiply the amount in Step 1 by the number of months it was incorrectly reported to get the difference.
3. If the new amount is MORE than what was reported then you owe a difference. On the next paycheck, add the amount owed to the amount listed in Column A of the Report.
4. If the new amount is LESS than what was reported, then you have overtaxed the benefit. Block the GTL earning in payroll until there is no longer a positive difference. The next paycheck following that, account for any difference using the instructions in Step 3.
5. For future paychecks, report only the updated value listed in Column A.

Note: Remember the *monthly value* is listed in Column A. If you have 24 pay periods, split the amount between two paychecks.

Special Reminders:

If corrections are being made to a prior quarter, you must re-submit your quarterly tax filings to reflect the changes.

Example:

Let's use Katherine Changes-A-Lot as an example to explain how to recalculate. In the initial GTL Report, only one row of values were displayed per person. For Katherine Changes-A-Lot, this was a monthly taxable income of \$59.80, and monthly FICA cost of \$4.57.

Employer #	Last Name ID Number	First Name SSN	A Monthly Taxable Income	B FICA or SECA Rate	C Monthly FICA or SECA
01234	Changes-A-Lot 10000	Katherine XXX-XX-0005	\$59.80	0.0765	\$4.57

However, the new report received in June indicates an increased value beginning February. You must recover the difference owed each month February through May.

Employer #	Last Name ID Number	First Name SSN	A Monthly Taxable Income	B FICA or SECA Rate	C Monthly FICA or SECA	D Start	E End
01234	Changes-A-Lot 10000	Katherine XXX-XX-0005	\$59.80	0.0765	\$4.57	01/01/2025	01/31/2025
01234	Changes-A-Lot 10000	Katherine XXX-XX-0005	\$61.09	0.0765	\$4.67	02/01/2025	

The new value is \$61.09 a month, however you have already reported \$59.80 a month. You still need to report the difference of \$1.29 for each month the value was reported incorrectly ($61.09 - 59.80 = 1.29$).

There are four months in this example (February, March, April and May), so an additional \$5.16 ($4 \times 1.29 = 5.16$) should be reported on top of the new increased GTL amount for the June. Add this owed amount (\$5.16) to the next paycheck.

- If you have 12 pay periods per year:
 - > For June the payroll should report a GTL value of \$66.25 ($61.09 + 5.16 = 66.25$).
 - > On future paychecks, the full monthly total of \$61.09 should be reported.
- If you have 24 pay periods per year:
 - > For June payroll should report a GTL value of \$35.71 ($30.55 + 5.16 = 35.71$).
 - > On future paychecks, the amount of \$30.55 should be reported (half of the full monthly total of \$61.09)

Since there is no stop date, continue this amount until a new report indicates a change.

Why did my worker's GTL amount change (increase or decrease)?

There are 4 variables that may go into calculating imputed income for GTL:

- Member's salary.
- Member's age.
- Number of dependent children.
- Marital status.

Changes to any of the above variables may affect the GTL value.

Children (not applicable for CDSP Option 1):

A member's potential death benefit is calculated by multiplying his or her salary by two PLUS one times the member's salary for each enrolled dependent child (not to exceed a total of six times salary). Therefore, having a child may increase the value of coverage.

Please note that once an enrolled dependent child reaches the age of 21 or, if a full-time student, attains the age 26, the amount of GTL coverage and the amount of imputed income will decrease, accordingly.

Member's Age:

Every \$1,000 of GTL coverage is taxed based on the member's age at the end of the calendar year. The rate increases every five years as follows:

Cost per \$1,000 of protection	
Age	Monthly Cost
Under 25	.05
25-29	.06
30-34	.08
35-39	0.09
40-44	0.10
45-49	0.15
50-54	0.23
55-59	0.43
60-64	0.66
65-69	1.27
70 & older	2.06

A member is no longer employed but I still owe taxes for him/her. I did not take taxes out of the member's last paycheck. What do I do?

If a worker terminates employment during 2025, any remaining FICA Tax should be withheld from the employees' last paycheck. Otherwise, the employer will be responsible for paying the uncollected portion of the worker's additional FICA Tax, as well as the employer's cost.

Additionally, an employer may not withhold previous years' FICA or SECA taxes from an employee's pay; all taxes must be collected within the calendar year. In order to correct a failure to withhold all taxes from a previous calendar year, the employer must pay both the employer and employee FICA taxes via their fourth quarter IRS 941 payroll report. Please consult with a tax expert for more instruction.

Why are there zeros on my report?

If your report shows all zeros for a worker, it may be because the value of the death benefit is at or below \$50,000. The IRS excludes the first \$50,000 of GTL benefits, so any single member at or below that amount will have no monthly imputed income or taxes to be reported.

If there is a zero in Column C: Monthly FICA or SECA, it means our records reflect the member is a self-employed worker and they do not participate in Social Security. If this is incorrect contact us at info@ConcordiaPlans.org or 888-927-7526. You will need to provide the member's name, member ID number and indicate the member's Social Security participation needs updating.

Is dependent life insurance included in Group-Term Life?

Dependent life insurance is excluded in the IRS's definition of definition of Group-Term Life, unless the coverage is "de minimus," which means Group-Term Life insurance payable on the death of an employee's spouse or dependent is less than \$2,000. The \$50,000 exclusion for calculating the cost of Group-Term Life applies only to Group-Term Life. Since dependent coverage is **not** considered Group-Term Life, it is always included in the imputed income cost.

A member is beginning/leaving employment in the middle of the month, am I responsible for that month of coverage?

If a member is hired in the middle of the month, then the CDSP death benefit does not begin until the first of the month following the date of eligibility (regularly working more than 20 hours a month). Therefore, an employer is not responsible to account for GTL imputed income during the month of hire/eligibility. The GTL imputed income reporting requirement will begin the first of the month following the date of full-time status or completion of any probationary period.

However, if a member leaves employment in the middle of the month, or reduces hours to part-time, coverage will extend to the end of the month. The employer will be responsible for the entire month of Group-Term Life coverage even if a member leaves mid-month.

Note: If you have 24 pay periods and a member leaves employment in the middle of the month before both pay periods have passed, then the FULL monthly income and taxes listed on the report should be recorded and deducted in payroll.

Why is a member listed on this report if their pay is not over \$50,000?

If a member has a spouse or any other dependents, they will be included on the Group-Term Life report, even if the potential benefit is not \$50,000. While the IRS excludes the first \$50,000 of coverage for single members, the potentially payable death benefit that the Group-Term Life imputed income is calculated from varies by a number of factors. Here's an example:

- If a member is single with no children and has a salary of \$25,000:
 - > Potentially payable death benefit would be two times the annual salary or \$50,000.
 - > There are no additional dependent benefits.
 - > Total potential benefit is \$50,000.
 - > Since the first \$50,000 is excluded, there is no Group-Term Life value to be reported.

How should I communicate this information to my workers?

Below you will find sample text to assist you in reporting this information to affected employees. Feel free to adapt as needed to accommodate specific situations.

Sample Text for Rostered Workers:

Your 2025 "imputed value" of group-term life insurance subject to Federal (and possibly State) Income Tax is \$_____ and must be included with your total compensation.

Your Social Security Tax on the above amount is \$_____. (Social Security plus Medicare)

Sample Text for Non-Rostered Workers:

Your 2025 "imputed value" of group-term life insurance subject to Federal (and possibly State) Income Tax is \$_____.

Your Social Security Tax on the above amount is \$_____, which will be withheld from your paycheck on _____. Please contact _____ if you prefer smaller payments withheld over several paychecks.

If you have questions please contact us at **info@ConcordiaPlans.org** or 888-927-7526 from 7 a.m. to 6 p.m. CT Monday-Friday, and we'll be happy to assist you.