



# Group-Term Life Insurance 2025 "Imputed Income"

Instructions for tax reporting and payments.

## Summary

To assist with your ministry's tax reporting needs, Concordia Plans mails monthly Group-Term Life Reports that include new hires, transfers and members with life events that result in a change to their Group-Term Life coverage under the Concordia Disability and Survivor Plan. The report displays "Start" and "End" dates for mid-year changes in Group-Term Life coverage. You can expect to receive a comprehensive report in the months of January and December each year. Subsequent monthly reports will display changes only.

For additional details and instructions, please visit [ConcordiaPlans.org/GTL](https://ConcordiaPlans.org/GTL).

The information provided in these reports applies to the 2025 tax year.

## Why am I receiving this mailing?

The Concordia Disability and Survivor Plan pays benefits upon the death of an enrolled worker or an enrolled dependent. These potentially payable benefits are the equivalent of group-term life insurance. As a result, the IRS requires that the "value" of these benefits be included in employee income in the current taxable year. This "value" is called "imputed income." Imputed income is also subject to Social Security taxes (FICA or SECA). The IRS excludes the first \$50,000 of GTL benefits from imputed income.

The comprehensive Group-Term Life Report sent at the beginning and end of the calendar year lists all enrolled workers along with their respective imputed income and FICA or SECA tax amounts. If any enrolled workers experience a life event resulting in a change in the amount of their CDSP death benefits, an updated report will be issued in the following month highlighting these changes.

**Please note that the report reflects monthly totals; annual amounts must be calculated by the employer for each worker.**

If the dollar amount reflected in Column A is \$0, no reporting is required for that worker during the respective Start to End time frame. Some reasons why a \$0 amount may show in Column A include if the worker's death benefit does not exceed \$50,000 and the worker has no enrolled dependents, or if the worker has no taxable income.

## Workers (who are not ministers of religion)

For employees who are not an ordained or commissioned minister of religion, an employer is required to pay FICA tax on imputed income equal to 7.65% of the amount in Column A multiplied by the number of months between the Start and End dates. Withhold from each employee's salary the amount in Column C multiplied by the number of months between the Start and End dates. Include the withholding of FICA tax for GTL coverage with normal withholdings for an employee's salary. For 2025, the employee's FICA tax rate is 7.65%. The FICA amount can be withheld from the employee's salary in a single payroll period or it may be withheld pro rata over multiple periods (e.g., weekly or bimonthly), depending on the method desired by the employer. An employer may also vary the withholding method for each employee, if desired.



If an employee who is not an ordained or commissioned minister of religion terminates employment during 2025, any remaining FICA tax should be withheld from their final paycheck. Otherwise, the employer will be responsible for paying any uncollected portion of the employee's additional FICA tax as well as the employer's additional tax. CPS recommends withholding the appropriate amount of FICA tax for each member per pay period, to decrease the risk of needing to pay uncollected FICA taxes out-of-pocket should the worker cease employment.

CPS further recommends following regular procedures for tax depositing to remit both the employee's and employer's portions of FICA tax and any income tax voluntarily withheld. Such payments should not be sent to CPS.

Additional instructions on the CPS Group-Term Life Report can be found at [ConcordiaPlans.org/GTL](https://ConcordiaPlans.org/GTL).

## Ministers of religion

Ministers of religion (ordained and commissioned) participating in Social Security are subject to SECA taxes. The SECA tax rate for 2025 is 15.3%. Instruct such ministers to include GTL imputed income amounts when calculating quarterly estimated tax payments. A minister of religion not participating in Social Security is not subject to SECA taxes. However, all ministers of religion are required to include the annual amount of GTL imputed income in total income for federal income tax purposes.

## Tax reporting for all employees

On quarterly Form 941 reports, include GTL imputed income and related FICA withholding. (Reporting requirements for FICA withholding do not apply to ministers of religion who did not elect to have FICA withheld.) At the end of the year, include all GTL imputed income on the employee's Form W-2, in the proper boxes with total compensation. For employees who are not ministers of religion, include all GTL FICA tax withheld in the appropriate boxes (for Social Security and Medicare). Include any additional GTL income tax withheld in the total reported on the W-2.

Please consult the IRS "Instructions for Forms W-2 and W-3" to ensure accurate reporting of this information, accessible at [IRS.gov](https://www.irs.gov).



### Contact Us:

ConcordiaPlans.org  
[info@ConcordiaPlans.org](mailto:info@ConcordiaPlans.org)  
888-927-7526