

JANUARY 18, 2008

**IRS RELEASES FORM 8925 FOR ANNUAL REPORTING OF  
EMPLOYER-OWNED LIFE INSURANCE CONTRACTS SUBJECT TO IRC §101(j)**

On January 15, 2008, the Internal Revenue Service published Form 8925 (Report of Employer-Owned Life Insurance Contracts), the form policyholders must use to satisfy the annual information reporting requirements for “employer-owned life insurance contracts” that are subject to Internal Revenue Code section 101(j) (“§101(j)”). These reporting requirements were established under new Internal Revenue Code section 6039I (“§6039I”) as part of the Pension Protection Act legislation that was signed into law in August 2006. For more information on the statutory requirements of §101(j) and §6039I, please see Clark Consulting’s *Executive Benefits Bulletin* of August 17, 2006.

Taxpayers who hold “employer-owned life insurance contracts” that are subject to the requirements of §101(j) are required to attach Form 8925 to their income tax return for each tax year ending after November 13, 2007. The following information must be provided on the Form:

- The number of employees the policyholder had at the end of the tax year;
- The number of such employees who were insured under employer-owned life insurance contracts at the end of the tax year;
- The “total amount of employer-owned life insurance in force” (generally interpreted by tax practitioners to mean the total death benefits) under such contracts at the end of the tax year; and
- A statement that the policyholder has a valid consent for each insured employee in accordance with the requirements of §101(j), or if not, the total number of insured employees for whom such consent was not obtained.

Form 8925 (including instructions) can be obtained through the Internal Revenue Service’s website at <http://www.irs.gov/pub/irs-pdf/f8925.pdf>.

Please feel free to contact your Clark Consulting representative with any questions specific to your firm.

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*For additional information, please contact your Clark Consulting representative.*

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*2100 Ross Avenue, Suite 2200, Dallas, Texas 75201-7906 Ph: 800.999.3125*