

Report of Employer-Owned Life Insurance Contracts

▶ **Attach to the policyholder's tax return—See instructions.**

Name(s) shown on return	Identifying number
Name of policyholder, if different from above	Identifying number, if different from above
Type of business	
1 Enter the number of employees the policyholder had at the end of the tax year	1
2 Enter the number of employees included on line 1 who were insured under the policyholder's employer-owned life insurance contract(s) at the end of the tax year	2
3 Enter the total amount of employer-owned life insurance in force at the end of the tax year for employees included on line 2	3
4a Does the policyholder have a valid consent (see instructions) for each employee included on line 2? <input type="checkbox"/> Yes <input type="checkbox"/> No	
b If "No," enter the number of employees included on line 2 for whom the policyholder does not have a valid consent	4b

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Use Form 8925 to report the number of employees covered by employer-owned life insurance contracts and the total amount of employer-owned life insurance in force on those employees at the end of the tax year. Policyholders also indicate whether a valid consent has been issued for each covered employee, and the number of covered employees for which a valid consent has not been issued.

Employer-owned life insurance contract. For purposes of Form 8925, an insurance contract is an employer-owned life insurance contract if it is owned by a policyholder as defined below, and covers the life of the policyholder's employee(s) on the date the life insurance contract is issued. If you have master contracts, see section 101(j)(3) for additional information.

Policyholder. Generally, a policyholder is a person who is (1) engaged in a trade or business which employs the person insured under the employer-owned life insurance contract and (2) the direct or indirect beneficiary of the employer-owned life insurance contract.

Related person. A related person is considered a policyholder if (1) related to the policyholder (defined above)

under sections 267(b) and 707(b)(1) or (2) engaged in a trade or business under common control with the policyholder. See sections 52(a) and (b).

Employee. Employee includes an officer, director, and highly compensated employees under section 414(q).

Insured. An individual must be a U.S. citizen or resident to be considered insured under an employer-owned life insurance contract. Both individuals covered by a contract covering the joint lives of two individuals are considered insured.

Who Must File

Every policyholder owning 1 or more employer-owned life insurance contracts issued after August 17, 2006, must file Form 8925 for each year the contract(s) is owned.

How to File

Attach Form 8925 to the policyholder's income tax return for each tax year during which the policyholder has employer-owned life insurance contract(s) in force.

Recordkeeping

You must keep adequate records to support the information reported on Form 8925.

Specific Instructions

Name of Policyholder

Enter the name of the policyholder (defined earlier).

Identifying Number

The identifying number of an individual is the social security number. For all other taxpayers, it is the employer identification number.

Business Activity Code

Enter the policyholder's six-digit business activity code number from the Principal Business Activity Codes list included in the instructions for the tax return or schedule with which the Form 8925 is filed. If a Principal Business Activity Code list is not included, use the list included with the Instructions for Form 1120.

Line 4a

Valid consent. A policyholder must have a valid consent including the following information from each employee covered under an employer-owned life insurance contract before the contract is issued.

1. Written notification to the employee stating the policyholder intends to insure the employee's life, and the maximum face amount for which the employee could be insured at the time the contract was issued.

2. Written consent from the employee to be (a) insured under the contract, and (b) covered under the contract after the insured terminates employment, and

3. Written notification that the policyholder will be a beneficiary of any proceeds payable upon the death of the employee.

Paperwork Reduction Act Notice.

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its

instructions must be retained as long as their content may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for individual taxpayers filing this form is approved under OMB control number 1545-0074 and is included in the estimates shown in the instructions for their individual income tax return. The

estimated burden for all other taxpayers who file this form is shown below.

Recordkeeping39 min.

Learning about the law or the form12 min.

Preparing the form22 min.

If you have comments concerning the accuracy of these time estimates or suggestion for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

