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2019

Instructions for Form 1099-LS



Department of the Treasury
Internal Revenue Service

Reportable Policy Sale

Future Developments

For the latest information about developments related to Form 1099-LS and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form1099LS](https://www.irs.gov/Form1099LS).

Reminders

In addition to these specific instructions, you should also use the 2019 General Instructions for Certain Information Returns. Those general instructions include information about the following topics.

- Who must file.
- When and where to file.
- Electronic reporting.
- Corrected and void returns.
- Statements to recipients.
- Taxpayer identification numbers (TINs).
- Backup withholding.
- Penalties.
- Other general topics.

You can get the general instructions from [General Instructions for Certain Information Returns](https://www.irs.gov/1099generalinstructions) at [IRS.gov/1099generalinstructions](https://www.irs.gov/1099generalinstructions) or go to [IRS.gov/Form1099LS](https://www.irs.gov/Form1099LS).

General Instructions

This form is used by the acquirer of a life insurance contract (also known as a life insurance policy), or any interest in a life insurance contract, in a “reportable policy sale” to report the acquisition. A “reportable policy sale” is any direct or indirect acquisition of a life insurance contract, or any interest in a life insurance contract, if the acquirer has no substantial family, business, or financial relationship with the person insured under that contract, apart from the acquirer’s interest in such life insurance contract. The acquisition of an interest in a partnership, trust, or other entity that holds an interest in a life insurance contract may be an indirect acquisition of a life insurance contract or an interest in a life insurance contract and may be a reportable policy sale.

Who Must File

File Form 1099-LS if you are the acquirer of a life insurance contract, or any interest in a life insurance contract, in a reportable policy sale.

An acquirer is any person who acquires a life insurance contract, or any interest in a life insurance contract, in a reportable policy sale.

If you are the acquirer, enter your name, address, telephone number, and TIN. Additionally, enter the name, address, and telephone number of your information contact, if different from your own. This contact

information must provide direct access to a person who can answer questions about this information return.

Online fillable forms. You may fill out the form, found online at [IRS.gov/Form1099LS](https://www.irs.gov/Form1099LS), and send Copy B to the recipient. For filing with the IRS, follow your usual procedures for filing electronically if you are filing 250 or more forms. If you are filing this form on paper due to a low volume of recipients, **for this form only**, you may send in the black-and-white Copy A with a Form 1096 that you print from the IRS website.

Reporting

If you are the acquirer, you must file a separate Form 1099-LS for each payment recipient with respect to each life insurance contract you acquired, or acquired an interest in, in a reportable policy sale. Enter the name, address, and TIN of the payment recipient; the name of the issuer of the life insurance contract; the policy number of the life insurance contract; the amount paid to the payment recipient; and the date of the sale.

Payment Recipient

A payment recipient is any person who receives a payment in a reportable policy sale.

Issuer

The issuer is the insurance company that bears the risk with respect to the life insurance contract on the date a Form 1099-LS is required to be made under section 6050Y(a). In general, this will be the life insurance company responsible for administering the contract, including paying death benefits under the life insurance contract.

Policy Number

The policy number is the unique identifying number assigned to the life insurance contract by the issuer named on the Form 1099-LS.

Statements to Payment Recipient and Issuer

If you are required to file Form 1099-LS, you must furnish a statement or acceptable substitute to the payment recipient and to the issuer, as shown. However, the requirement to furnish a statement to the issuer applies only with respect to any Form 1099-LS you are required to file identifying a payment recipient from whom you acquired a life insurance contract, or an interest in a life insurance contract, in the reportable policy sale being reported.

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IF the statement is for the...	THEN use...
payment recipient	Copy B.
issuer	Copy C.

For more information about the requirement to furnish a statement to the payment recipient and the issuer, see part M in the 2019 General Instructions for Certain Information Returns.

Truncating recipient's TIN on payment recipient statements. Pursuant to Treasury Regulations section 301.6109-4, all filers of this form may truncate the payment recipient's TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on statements furnished to a

payment recipient (Copy B). However, filers may not truncate the payment recipient's TIN on statements furnished to an issuer (Copy C). Truncation is not allowed on any documents the filer files with the IRS. An acquirer's TIN may not be truncated on any form. See part J in the 2019 General Instructions for Certain Information Returns.

Specific Instructions

Box 1. Amount Paid to Payment Recipient

Enter the total amount paid to the payment recipient in the reportable policy sale. The acquirer is not required to report this information to the issuer of the life insurance contract. Reporting the amount paid to the payment recipient is therefore optional on Copy C.

Box 2. Date of Sale

Enter the date of the reportable policy sale.