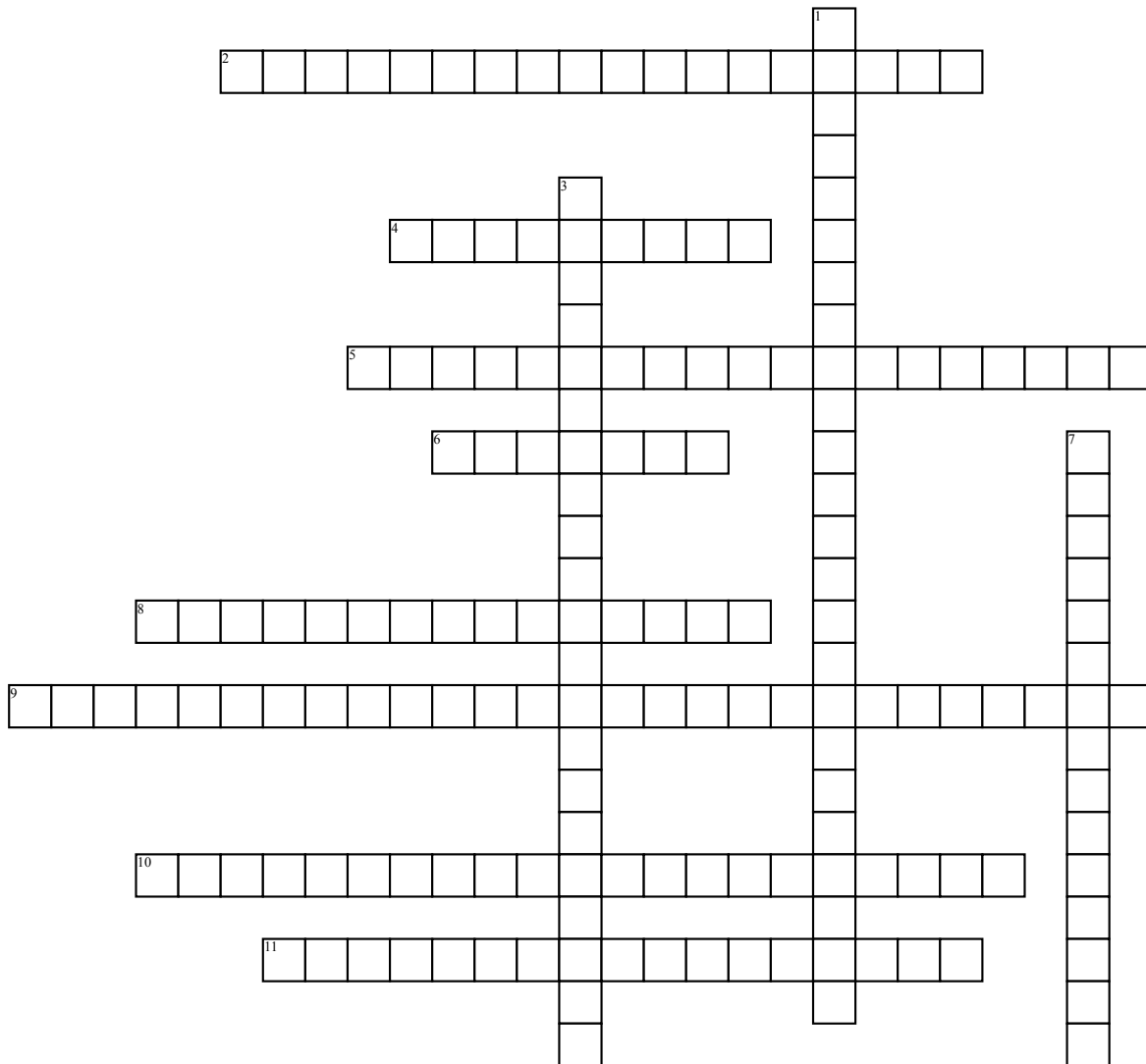


Federal Tax For Health Insurance



Across

2. Group plans usually pay benefits for 2 years or longer.
4. Premiums are not deductible to the business, but the benefits are received income tax free by the business.
5. Group plans usually have a benefit period of less than 2 years. It is common in this type of disability income plans to place a maximum dollar amount on the benefit that will be provided regardless of earnings, and to have an elimination period (except for disability resulting from accidents).
6. Is typically written to cover partners or corporate officers of a closely held business. The policy provides funds for the business organization to purchase the business interest of a disabled partner, whether a cross purchase or entity, the premiums are not deductible to the business, but the benefits are received income tax free by the business.
8. Premiums paid by the employer for its employees are deductible as a business expense and are not considered as taxable income to the employee. Benefits received by an employee that are attributable to employer contributions are fully taxable to the employee as income.
9. The employer's contribution is tax deductible in the year in which the reimbursement is made to the employee. The employee is not taxed on receipt of the benefit.

10. The cost of disability insurance is paid partially by the employer and partially by the employee the portion paid by the employee is received income tax free and the portion paid by the employer is included in the employee's gross income and taxed as ordinary income.

11. The employer pays the entire cost of the disability insurance premium so the income benefits are received income tax free by the employee.

Down

1. Allow consumers to take pre-tax dollars from their paycheck and deposit them in an FSA with their employer.
3. Feature tax-deferred growth, and enable the insured to pay for medical expenses with pre-tax income. Excess funds can be carried over to the next year. Regardless of how income is earned, any money deposited into it is considered an "above-the-line" deduction, giving a 100% write-off against adjusted gross income.
7. The Employer Pays the entire cost of the disability insurance premium so the income benefits are included in the employee's gross income and taxed as ordinary income.