



EOLI Implementation Checklist (employer-owned life insurance)

This short checklist was created to help you and your clients ensure that your Employer-Owned Life Insurance (EOLI) policies are compliant with IRS regulations. We know the insurance was purchased under the assumption that the death benefit would be tax free, but the IRS has changed the rules of the game recently. By utilizing this checklist you will be on the right track to ensuring the death benefit will remain tax free.

✓	Action Item	Responsible Party	Date Completed
<input type="checkbox"/>	1 Verify that, at the time of policy issue, 1) the employee/insured is a Director or Highly Compensated Employee, OR 2) Amounts under the contract are to be paid to heirs of the employee.		
<input type="checkbox"/>	2 Notify the employee in writing of the employer's/policyholder's intent to insure the employee's life and the maximum face amount for which the employee could be insured at the time the contract is issued.		
<input type="checkbox"/>	3 Obtain the employee's written consent to being insured under the contract, to such coverage continuing after termination of employment, and confirmation that the employee has been informed in writing that the employer/policyholder will be the beneficiary of any proceeds payable upon the death of the employee.		
<input type="checkbox"/>	4 Review employer's/policyholder's existing policies for any material changes, including an increase in face amount.		
<input type="checkbox"/>	5 Establish process for the filing of an annual reporting form (IRS Form 8925) with your tax return each year.		



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