

[Title] [First Name] [Middle Name] [Last Name]
[Address Line 1]
[Address Line 2]
[City], [State] [Zip]

December [Tax Year]

Dear Member:

Because the value of the group term life insurance provided to you by The Church Pension Fund (CPF) through Church Life Insurance Corporation (Church Life) is greater than \$50,000, there is imputed income related to this insurance that you must report on your income tax return.

We recommend that you give your tax advisor a copy of this letter to ensure proper reporting on your [Tax Year] income tax return (since this amount may not be eligible for the clergy housing allowance deduction and may be subject to SECA tax).

What does this mean to you?

According to Section 79 of the Internal Revenue Code, you are required to report as imputed income the cost of any employer-paid group term life insurance coverage in excess of \$50,000. (See cpg.org/IRCimputed.) While the Internal Revenue Service provides a table for calculating imputed income, we've done the math for you:

Based on your age and the amount of group term life insurance you are receiving from CPF through Church Life, you must report an additional \$[ImputedAmt] of income when you file your [Tax Year] income tax return.

Please note: If you receive other group term life insurance from a current or former employer that is not provided by CPF or its affiliates, you will need to calculate the imputed income associated with that group term life insurance and include it in your income tax return.

Questions?

Please call Client Services at (866) 802-6333, Monday to Friday, 8:30 AM to 8:00 PM ET.

Faithfully,

The Church Pension Group

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[Letter Legal Number]