

## UWMF Physician 2022 VEBA Life Insurance Rates

Eligible UWMF Physicians are automatically enrolled in a \$500,000 life insurance benefit through The Hartford. This automatic enrollment occurs at the time of new employment or if you experience a change in status from non-benefit eligible to benefit eligible.

The Internal Revenue Service (IRS) requires individuals to pay income tax on the value of any life insurance coverage in excess of \$50,000. This means UWMF Physicians are required to pay taxes on the imputed cost of \$450,000 in life insurance. The [IRS published tax rates](#)<sup>(1)</sup> can create a significant tax liability for Physicians. The IRS tax rates are based on 2021 publication as 2022 rates have not been published.

To reduce the Physician tax liability, UWMF offers the option to separate the life insurance into a base of \$50,000 through UWMF and an additional \$450,000 through a Voluntary Employee Benefit Association (VEBA). By electing the VEBA option, the tax liability can be reduced as shown in the chart below. Please note the amounts in the chart are *estimates* based on a 30% tax rate.

Age	IRS Taxable Benefit Option			2021 VEBA Option			
Age Band	Rate per \$1,000	W-2 Income <sup>(2)</sup> UWMF Annual Premium	W-2 Tax <sup>(3)</sup> Estimated Physician Annual Tax	Rate per \$1,000	W-2 Income <sup>(2)</sup> UWMF Annual Premium	W-2 Tax <sup>(3)</sup> Estimated Physician Annual Tax	Monthly Deduction <sup>(4)</sup>
29-34	\$0.08	\$ 432	\$ 130	\$0.030	\$ 162	\$ 49	\$ 13.50
35-39	\$0.09	\$ 486	\$ 146	\$0.030	\$ 162	\$ 49	\$ 13.50
40-44	\$0.10	\$ 540	\$ 162	\$0.037	\$ 200	\$ 60	\$ 16.65
45-49	\$0.15	\$ 810	\$ 243	\$0.067	\$ 362	\$109	\$ 30.15
50-54	\$0.23	\$1,242	\$ 373	\$0.112	\$ 605	\$181	\$ 50.40
55-59	\$0.43	\$2,322	\$ 697	\$0.201	\$1,085	\$326	\$ 90.45
60-64	\$0.66	\$3,564	\$1,069	\$0.275	\$1,485	\$446	\$123.75
65-69 <sup>(5)</sup>	\$1.27	\$4,465	\$1,340	\$0.357	\$1,255	\$377	\$104.60
70 -74 <sup>(6)</sup>	\$2.06	\$5,018	\$1,505	\$0.454	\$1,106	\$332	\$92.16
75 -80 <sup>(7)</sup>	\$2.06	\$3,337	\$1,001	\$0.454	\$735	\$221	\$61.29

(1) IRS published tax rates: <https://www.irs.gov/pub/irs-pdf/p15b.pdf>

(2) Rate per \$1,000 X 450 X 12 months

(3) Rate per \$1,000 X 450 X 12 months X applicable tax rate (*estimate based on 30% tax rate*)

(4) Rate per \$1,000 x 450

(5) The 1st of the year following the attainment of age 65, insurance coverage reduces to 65% of \$450,000, or \$293,000

(6) The 1st of the year following the attainment of age 70, insurance coverage reduces to 45% of \$450,000, or \$203,000

(7) The 1st of the year following the attainment of age 75, insurance coverage reduces to 30% of \$450,000, or \$135,000