

Washington & Lee University - Group Long Term Disability - Tax Election Form

Employee Name: _____ Social Security Number: _____

Employer Name and Address: Washington & Lee University, 204 W. Washington Street, Lexington, VA 24450

Washington and Lee University provides company-paid Group Long Term Disability (LTD) insurance protection to all eligible employees.

Depending upon how the Group LTD premium is structured, disability benefits (should you ever need them) may be either taxable or nontaxable. While the University will continue to pay the premium for this coverage, you need to choose whether or not to pay the taxes on the premium now or on the benefit later. If you DO NOT pay the taxes on the premium now (through payroll), then you will need to pay the taxes on the benefit, should you ever begin drawing the benefit. If you DO CHOOSE TO PAY the taxes on the premium (this will be handled by HR and payroll), then the benefit, should you ever need it, will not be taxable.

If you do not return this form, you will automatically be enrolled in Option 2 below.

Please choose one of the following options:

OPTION 1:

_____ I elect **NOT** to pay taxes on my Group LTD premium. The University will continue to pay the premium of this coverage. I understand that by electing this option, any disability benefits that I receive under the plan will be considered taxable income.

OPTION 2:

_____ I elect to **PAY** taxes on my group LTD Premium through imputed income. The University will continue to pay the premium for this coverage. I understand that by electing this option, any disability benefits that I receive under the plan will be income tax-free.

The imputed amount added to my taxable income will be Annual Salary x Current LTD Rate.

1)	\$50,000	X	\$.00176	=	\$88.00	\$50,088.00
	Annual Salary		Current LTD Rate		LTD Premium added to Taxable Income	Total Taxable Income

(For employees who are not eligible for the University Pension benefit)

2)	\$50,000	X	\$.00230	=	\$115.00	\$50,115.00
	Annual Salary		Current LTD Rate		LTD Premium added to Taxable Income	Total Taxable Income

(For employees who are eligible for the University Pension benefit)

Calculate your group LTD premium:

\$ _____	X	\$ _____	=	\$ _____	\$ _____
Annual Salary		Current LTD Rate		LTD Premium added to Taxable Income	Total Taxable Income

I understand that my election is irrevocable until I provide written confirmation to Human Resources that I wish to change my election. My next opportunity to change this election will be during the next Open Enrollment period following my initial election. If I have elected to pay taxes on the premium (Option 2), I understand that the imputed income amount could change during the plan year, if there are any changes to my salary or the tax tables.

Employee Signature

Date