

## NOTICE TO PARTICIPANTS

The cost of life insurance protection provided Participants under qualified retirement Plans is treated for federal income tax purposes as a "current economic benefit", which you must report as income. The cost for this coverage, sometimes called your "PS-58 Cost", is calculated as if it had been provided by one-year term insurance.

Your PS-58 cost for 2017 is \$\_\_\_\_\_. This amount should be reported on your Income Tax Form 1040 as other income".

Although the reportable term cost is taxed as current income upon death, any insurance proceeds in excess of the policy cash value are tax free to your beneficiary. In addition, if you terminate or retire and receive the cash value of the policy as part of your benefit, you will not be taxed on the accumulated PS-58 cost you have reported on that policy over the years. It is important that you keep a careful record of these amounts so you will know how much to claim.