
From: Eileen Alexanderson <Eileen.Alexanderson@apollo.com>
Sent: Monday, April 22, 2013 7:57 PM
To: 'Jeffrey Epstein'
Subject: split \$ memo issue

In my files I have an annual letter that says "Leon must report or contribute the economic benefit of his Split-Dollar life insurance plans as income for income tax purposes. This same amount represents the annual value of the gift for gift tax purposes". With it comes a "reportable income and annual gift on a policy by policy basis which Tom has used as he prepares the annual gift tax return for Leon". I checked with Ada also. Elyse is referring to the requirement to evaluate split dollar life insurance plans as to the extent of the economic benefit that is considered taxable ordinary income to the employee. The taxable ordinary income to the employee is the premium cost of one-year term insurance on the life of the employee minus that portion of the premium paid by the employee. If the employee pays that portion of the premium that is in excess of the economic benefit, the employee incurs no ordinary income tax liability. The premium cost of one-year term insurance at each age is listed in this PS 58 IRS table. Eileen Alexanderson Black Family Partners, L.P.
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