

## Before processing the last payroll of 2021:

### 1. Cost of Group-Term Life Insurance Over \$50,000



- ⇒ Include NC1 (non-cash earnings) payments for life insurance by using the table below.
- ⇒ Software will include NC1 amount in the adjusted gross figure, but no tax will be withheld.
- ⇒ If the city does **not** want the NC1 amount included in the gross wages, you will need to reduce the gross and taxable gross fields on the city records by the amount of the NC1 payment after processing payroll.
- ⇒ If the city wants taxes withheld on the NC1 payment, you will need to set the flag in DEDNAM to a "Y" to **'tax non-cash earn'** before processing payroll.

Forget to process an NC1 in the last payroll??? Follow the instructions in the USPS Guide/Useful Procedures. You may also need to update the QTD totals by the amount of the NC1 (gross pay and taxable gross pay fields on the 001 deduction record) to balance on your QTRRPT.

This table below is used to calculate the cost of Group Term Life Insurance over \$50,000 as you provided it to your employees. This is processed in **USPS** using an **NC1** (non-cash earnings) pay type in **UPDCAL\_CUR** or **UPDCAL\_FUT**.

**Monthly Cost** – You determine the monthly cost of group-term life insurance by multiplying the number of thousands of dollars of insurance coverage by the appropriate cost per thousand per month. You determine age as of the last day of the tax year.

Table 2-2. Cost Per \$1,000 of Protection For 1 Month This can be found in Publication 15-B of 2021

<b>Age</b>	<b>Cost</b>
<b>Under 25</b>	<b>\$ .05</b>
<b>25 through 29</b>	<b>.06</b>
<b>30 through 34</b>	<b>.08</b>
<b>35 through 39</b>	<b>.09</b>
<b>40 through 44</b>	<b>.10</b>
<b>45 through 49</b>	<b>.15</b>
<b>50 through 54</b>	<b>.23</b>
<b>55 through 59</b>	<b>.43</b>
<b>60 through 64</b>	<b>.66</b>
<b>65 through 69</b>	<b>1.27</b>
<b>70 and older</b>	<b>2.06</b>