

# Advisory Opinion: Unemployment insurance exemption for life insurance

<b>Agency Name:</b>	<b>Department of Employment Security</b>
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<b>Subject:</b>	Unemployment insurance exemption for life insurance
<b>Admin Code Citation/Public Act Number:</b>	
<b>Section Numbers:</b>	
<b>Illinois Register Citation (Page Number and Publication Date):</b>	
<b>Type of Rule: (New/Emergency/Amended)</b>	
<b>Type of Impact (Reporting/Cost or Fee/Education Credit/Other - specify):</b>	Exemption from unemployment insurance contributions
<b>Business or Industry Type Affected:</b>	Any business that offers life insurance as a fringe benefit
<b>Effective Date:</b>	
<b>Plain Language Explanation:</b>	
<b>Public Hearing Location (if applicable):</b>	
<b>Advisory Opinion (if applicable):</b>	Inquiry is made, as to whether the cost of employer provided group-term life insurance on the life of an employee's spouse or dependent children is considered wages for state unemployment insurance purposes and, therefore, required to be reported to the Department, if the face amount of the coverage does not exceed \$2,000.

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	Pursuant to Section 235 of the Illinois Unemployment Insurance Act, life insurance payments are exempt from treatment as wages, irrespective of the amount of coverage, provided they are (1) made under a plan which makes provision generally for individuals or a class or classes of such individuals (and their dependents) and (2) are exempt under the Federal Unemployment Tax Act.

Members of the public may submit comments to the agency contact listed above. Comments should be submitted within 45 days of publication in the *Illinois Register*.