

**Wealth Protection
and
Accumulation
For Individuals
and
Businesses**

Employee Benefits

Retirement plans

Tax Favored Investments

Financial Planning

Succession Planning

Estate Planning

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David White & Associates

dream, grow, protect, enjoy

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**The Taxation
of Disability
Insurance**



David White & Associates

Business Entity

Coverage for

- Sole Proprietor
 - ➔ Sole Proprietor
 - ➔ Employee
 - ➔ Employee

- Partnership
 - ➔ Partner
 - ➔ Employee
 - ➔ Employee

- S Corporation
 - ➔ Shareholder
 - ➔ Employee
 - ➔ Employee

- C Corporation
 - ➔ Employee and shareholder/employee
 - ➔ Employee and shareholder/employee

Premium Paid By

Beneficiary

- ➔ Sole Proprietor
 - ➔ Sole Proprietor
 - ➔ Employee funds received through bonus

 - ➔ Partnership
 - ➔ Partnership
 - ➔ Employee funds received through bonus

 - ➔ Corporation
 - ➔ Corporation
 - ➔ Employee funds received through bonus

 - ➔ Corporation
 - ➔ Employee funds received through bonus
- ➔ Sole Proprietor
 - ➔ Employee
 - ➔ Employee

 - ➔ Partner
 - ➔ Employee
 - ➔ Employee

 - ➔ Shareholder
 - ➔ Employee
 - ➔ Employee

 - ➔ Employee and Shareholder
 - ➔ Employee and Shareholder

Premium

- ➔ Not a deductible business expense
- ➔ Deductible business expense
- ➔ Employee bonus is tax deductible to the Business. Premium paid by EE not deductible.

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For all forms of businesses, taxation for overhead expense policies follow the guidelines listed below:

1. Tax deductible premiums

2. Taxable benefits

3. Tax deductible expenses when a benefit is paid out for overhead expenses