



Family Wealth Consulting

BDO Seidman, LLP
Accountants and Consultants

ISSUE:

NEW REGULATIONS GOVERNING SPLIT DOLLAR LIFE INSURANCE POLICIES

DATE:

Elections must be made prior to year-end.

AFFECTING:

All individuals with split-dollar life insurance policies.

DETAILS:

The IRS has issued new regulations which, depending on the type of split-dollar life insurance plan involved, may affect the taxation of accumulations arising from split-dollar life insurance plans. The new regulations do allow for safe harbors, but action must be taken prior to year-end.

RECOMMENDED ACTION:

In order to avoid adverse tax consequences, especially for certain equity type plans, action needs to be taken prior to 12/31/2003.

HOW BDO SEIDMAN CAN HELP:

Our Family Wealth Consulting and Compensation and Benefits professionals can assist you in

- (1) evaluating the extent to which your current plans are affected and
- (2) making the appropriate elections and analysis to avoid adverse tax consequences.

Practice Leaders

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Material Discussed in this newsletter is meant to provide general information and should not be acted on without obtaining professional advice tailored to your firm's individual needs

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As a member firm of BDO International, BDO Seidman LLP belongs to a worldwide network of independent professional firms that combined offer 22,000 partners and staff operating in 100 countries and 600 offices.

BDO Seidman's Family Wealth Consulting Practice has a long tradition of helping middle market owners and managers as well as families achieve their financial goals.

FOR MORE INFORMATION

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