

# Disability Income Insurance

Coverage for	Premium Paid by	Tax treatment	
		Premium	Benefit

## DISABILITY INCOME

Individual	Individual	Not Deductible	Tax free
Sole Proprietorship	Sole Proprietorship	Not Deductible Business Expense	Tax free
Partner	Partnership	Not Deductible Business Expense	Tax free
Employee	Corporation, Partnership, or Sole Proprietorship	Deductible Business Expense Not taxable income to employee	Reported as income
Employee	Employee funds received through executive bonus	Executive bonus is tax deductible to business and is reported as income to employee	Tax free

## DISABILITY BUY-OUT

Sole Proprietor or business owner	Sole Proprietor or business owner	Not Deductible	Tax free
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## BUSINESS OVERHEAD EXPENSE

Sole Proprietor or business	Sole Proprietor or business	Tax Deductible	Reportable as income
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