

Publications

IRS Finalizes Comprehensive New Rules for Split Dollar Plans

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Summary—After nearly 35 years without any new official guidance, the IRS reopened the tax treatment of split dollar life insurance plans in January of 2001. After a flurry of Notices and several sets of proposed rules, the IRS has succeeded in establishing new—and generally unfavorable—tax rules for split dollar plans that are established (or materially modified) after September 17, 2003. In Rev. Rul. 2003-105 (Oct. 6 IRS Bulletin), the IRS has declared the seminal split dollar ruling, Rev. Rul. 64-328, obsolete (except for grandfathered programs).

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