



Note: *The draft you are looking for begins on the next page.*

Caution: DRAFT—NOT FOR FILING

This is an early release draft of an IRS tax form, instructions, or publication, which the IRS is providing for your information. **Do not file draft forms.** We incorporate all significant changes to forms posted with this coversheet. However, unexpected issues occasionally arise, or legislation is passed—in this case, we will post a new draft of the form to alert users that changes were made to the previously posted draft. Thus, there are never any changes to the last posted draft of a form and the final revision of the form. Forms and instructions are subject to OMB approval before they can be officially released, so we post drafts of them until they are approved. Drafts of instructions and pubs usually have some additional changes before their final release. Early release drafts are at [IRS.gov/DraftForms](https://www.irs.gov/DraftForms) and remain there after the final release is posted at [IRS.gov/LatestForms](https://www.irs.gov/LatestForms). Also see [IRS.gov/Forms](https://www.irs.gov/Forms).

Most forms and publications have a page on IRS.gov: [IRS.gov/Form1040](https://www.irs.gov/Form1040) for Form 1040; [IRS.gov/Pub501](https://www.irs.gov/Pub501) for Pub. 501; [IRS.gov/W4](https://www.irs.gov/W4) for Form W-4; and [IRS.gov/ScheduleA](https://www.irs.gov/ScheduleA) for Schedule A (Form 1040), for example, and similarly for other forms, pubs, and schedules for Form 1040. When typing in a link, type it into the address bar of your browser, not a Search box on IRS.gov.

If you wish, you can submit comments to the IRS about draft or final forms, instructions, or pubs at [IRS.gov/FormsComments](https://www.irs.gov/FormsComments). Include “NTF” followed by the form or pub number (for example, “NTF1040”, “NTFW4”, “NTF501”, etc.) in the body of the message to route your message properly. We cannot respond to all comments due to the high volume we receive and may not be able to consider many suggestions until the subsequent revision of the product, but we will review each “NTF” message. If you have comments on reducing paperwork and respondent (filer) burden, with respect to draft or final forms, please respond to the relevant information collection through the Federal Register process; for more info, click [here](#).

Instructions for Form 1099-LS



(Rev. April 2025)

Reportable Life Insurance Sale

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form 1099-LS and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form1099LS](https://www.irs.gov/Form1099LS).

You can get the general instructions from [General Instructions for Certain Information Returns](https://www.irs.gov/1099GeneralInstructions) at [IRS.gov/1099GeneralInstructions](https://www.irs.gov/1099GeneralInstructions).

Reminders

In addition to these specific instructions, you should also use the current [General Instructions for Certain Information Returns](https://www.irs.gov/1099GeneralInstructions). Those general instructions include information about the following topics.

- Who must file.
- When and where to file.
- Electronic reporting.
- Corrected and void returns.
- Statements to recipients.
- Taxpayer identification numbers.
- Backup withholding.
- Penalties.
- Other general topics.

Continuous-use revision. Use these instructions for tax year 2025 and subsequent years until a superseding revision is issued.

E-filing Form 1099-LS. The Taxpayer First Act of 2019 authorized the Department of the Treasury and the IRS to issue regulations that reduce the 250-return e-file threshold. T.D. 9972, published February 23, 2023, lowered the e-file threshold to 10 (calculated by aggregating all information returns), effective for information returns required to be filed on or after January 1, 2024. Go to [IRS.gov/IRIS](https://www.irs.gov/IRIS) for e-file information.

Online fillable Copies B and C. To ease statement furnishing requirements, Copies B and C have been made fillable online in a PDF format available at [IRS.gov/Form1099LS](https://www.irs.gov/Form1099LS). You can complete these copies online for furnishing statements to recipients and for retaining in your own files.

General Instructions

This form is used by the acquirer of any interest in a life insurance contract (also known as a life insurance policy) in a reportable policy sale to report the acquisition. In general, a reportable policy sale is any direct or indirect acquisition of any interest in a life insurance contract if the acquirer, at the time of the acquisition, has no substantial

family, business, or financial relationship with the person insured under that contract, apart from the acquirer's interest in such life insurance contract. See section 101(a)(3). Certain exceptions may apply. See Regulations section 1.101-1(c)(2). The acquisition of an interest in a partnership, trust, or other entity that holds an interest in a life insurance contract may be an indirect acquisition of that interest in a life insurance contract and may be a reportable policy sale. See Regulations section 1.101-1(e)(3)(ii).

Who Must File

Generally, file Form 1099-LS if you are the acquirer of any interest in a life insurance contract in a reportable policy sale.

An acquirer is any person that acquires an interest in a life insurance contract (through a direct acquisition or indirect acquisition of the interest) in a reportable policy sale.

You may not have to file Form 1099-LS if the interest in a life insurance contract was transferred to you gratuitously, if you qualify for an exception in Regulations section 1.6050Y-2(f), or if another acquirer or third party information reporting contractor reports on your behalf under the unified reporting provisions of Regulations section 1.6050Y-2(b). You may qualify for an exception in Regulations section 1.6050Y-2(f) if you are a foreign person, if you report reportable policy sale payments made to a person other than the seller under section 6041 or 6041A, or if you acquire a life insurance contract in a section 1035 exchange.

If you are the acquirer, enter your name, address, telephone number, and taxpayer identification number (TIN). Additionally, enter the name, address, and telephone number of your information contact, if different from your own. This contact information must provide direct access to a person who can answer questions about this information return.

Reporting

If you are the acquirer, you must file a separate Form 1099-LS for each payment recipient with respect to each interest in a life insurance contract you acquired in a reportable policy sale. Enter the name, address, and taxpayer identification number (TIN) of the payment recipient, the name of the issuer of the life insurance contract, the policy number of the life insurance contract, the amount paid to the payment recipient, and the date of the sale. See Regulations section 1.6050Y-2.

Payment Recipient

In general, a reportable policy sale payment recipient (payment recipient) is any person that receives a reportable policy sale payment in a reportable policy sale. A payment recipient may include any seller in the reportable policy sale (any person that holds an interest in a life insurance contract and transfers that interest, or any part of that interest, to an acquirer in a reportable policy sale), as well as any broker or other intermediary that retains a portion of the cash or other consideration transferred in the reportable policy sale. See Regulations section 1.6050Y-1(a)(16)(i) for the definition of a reportable policy sale payment recipient and section 1.6050Y-1(a)(18)(i) for the definition of seller. However, a person other than a seller is not a payment recipient if that person received aggregate payments of less than \$600 with respect to a reportable policy sale. See Regulations section 1.6050Y-1(a)(16)(ii).

Issuer

The issuer is the person responsible for administering the life insurance contract, including collecting premiums and paying death benefits under the contract, on the date a Form 1099-LS is required to be furnished under section 6050Y(a), or their designee. See Regulations section 1.6050Y-1(a)(8)(i), (ii), and (iv).

Policy Number

The policy number is the unique identifying number assigned to the life insurance contract by the issuer named on the Form 1099-LS.

Statements to Payment Recipient and Issuer

If you are required to file Form 1099-LS, you must generally furnish a statement or acceptable substitute to each payment recipient and to the issuer, as shown in the table below. The requirement to furnish a statement to the issuer applies only with respect to a Form 1099-LS filed with respect to the seller and only if your acquisition of an interest in a life insurance contract in a reportable policy sale is a direct acquisition. See Regulations section 1.6050Y-2(d)(2)(i). Statements furnished to the issuer should be directed to the administrative office that, pursuant to the life insurance contract, processes transfers of ownership. You may not have to furnish statements to the payment recipient and issuer if another acquirer or third party information reporting contractor reports on your behalf under the unified reporting provisions of Regulations section 1.6050Y-2(b).

IF the statement is for the...	THEN use...
Payment recipient	Copy B
Issuer	Copy C

For more information about the requirement to furnish a statement to the payment recipient and the issuer, see part M in the current General Instructions for Certain Information Returns.

Truncating recipient's TIN on payment recipient statements.

Pursuant to Regulations section 301.6109-4, all filers of this form may truncate the payment recipient's TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on statements furnished to a payment recipient (Copy B). Truncation is not allowed on any documents the filer files with the IRS. An acquirer's TIN may not be truncated on any form. See part J in the current General Instructions for Certain Information Returns.

Rescission of Reportable Policy Sale

If a reportable policy sale is rescinded and you have filed a Form 1099-LS with respect to the reportable policy sale, you must file a corrected Form 1099-LS within 15 calendar days of the receipt of notice of the rescission. If a reportable policy sale is rescinded and you have furnished a statement with respect to the reportable policy sale to a payment recipient or issuer, you must furnish the recipient of that statement with a corrected statement within 15 calendar days of the receipt of notice of the rescission. See Regulations section 1.6050Y-2(e).

Specific Instructions

Box 1. Amount Paid to Payment Recipient

Enter the total amount paid to the payment recipient in the reportable policy sale. The acquirer is not required to report this information to the issuer of the life insurance contract. Reporting the amount paid to the payment recipient is therefore optional on Copy C.

Box 2. Date of Sale

Enter the date of the reportable policy sale.