

2018



Department of the Treasury
Internal Revenue Service

Instructions for Form 1099-LS

Reportable Life Insurance Sale

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).

What's New

New Form 1099-LS and Instructions for Form 1099-LS. This is a new form required under section 6050Y. See Public Law 115-97, section 13520. Form 1099-LS, Reportable Life Insurance Sale, and these separate instructions will provide acquirers the necessary information for completing, furnishing, and filing the forms for reporting the acquisition of a life insurance contract, or any interest in a life insurance contract, in a reportable policy sale.

Online fillable Copies B, C, and D. To ease statement furnishing requirements, Copies B, C, and D 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.

Reminders

In addition to these specific instructions, you should also use the 2018 [General Instructions for Certain Information Returns](#). 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.

You can get the general instructions at [IRS.gov/1099GeneralInstructions](https://www.irs.gov/1099GeneralInstructions) or go to [IRS.gov/Form1099LS](https://www.irs.gov/Form1099LS).

General Instructions

This form is used by the acquirer of a life insurance contract (also known as a life insurance policy), or any interest in a life insurance contract, in a reportable policy sale to report the acquisition. A reportable policy sale is any direct or indirect acquisition of a life insurance contract, or any interest in a life insurance contract, if the acquirer 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. 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 a life insurance contract or an interest in a life insurance contract and may be a reportable policy sale.

Who Must File

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

An acquirer is any person who acquires a life insurance contract, or any interest in a life insurance contract, in a reportable policy sale.

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 life insurance contract you acquired, or acquired an interest in, 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.

Payment Recipient

A payment recipient is any person who receives a payment in a reportable policy sale.

Issuer

The issuer is the insurance company that bears the risk with respect to the life insurance contract on the date a Form 1099-LS is required to be furnished under section 6050Y(a). Generally, this will be the life insurance company responsible for administering the contract, including paying death benefits under the life insurance contract.

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 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; in other words, a payment recipient from whom you acquired a life insurance contract, or an interest in a life insurance contract, in the reportable policy sale being reported.

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 2018 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 2018 General Instructions for Certain Information Returns.

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.