

ID: CCA-415630-09

Number: **201011032**

Office:

Release Date: 3/19/2010

UILC: 105.00-00

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**From:**

**Sent:** Wednesday, April 15, 2009 6:30 AM

**To:**

**Cc:**

**Subject:** PDFs

I have reviewed the documents you emailed to us. If the Taxpayer claims that the amounts received under the Settlement Agreement constitute disability benefits paid pursuant to her employer's group disability insurance policy, then those amounts are fully taxable to the Taxpayer under section 105(a).

The Policy is designated a

The Policy is described as

The Policy states that

Taxpayer's employer.

The "Policyholder" is identified as the

The Policy states

Thus, under this Policy, it appears that the Employer paid all of the premiums for its employees' disability coverage. Therefore, the premiums are excludable from the employees' gross income under section 106 but the disability benefits are includible in the employees' gross income under section 105(a).

Whether the Settlement amounts may be excludable under section 104(a)(2) is within the jurisdiction of

Let me know if you need additional assistance.