

Tax & Life Insurance Quick Reference

A general-principles summary for the Philippines, current as of this writing. Tax rules can change - always confirm with a licensed accountant for your specific situation.

Is the death benefit taxable?

Generally NO - life insurance proceeds paid to beneficiaries due to death are excluded from gross income and not subject to income tax.

Does it form part of the taxable estate?

Depends on the beneficiary designation. IRREVOCABLE beneficiary: generally excluded from the gross estate, not subject to the 6% estate tax. REVOCABLE beneficiary or estate named as beneficiary: may be included in the gross estate.

Are premiums tax-deductible?

Generally NO for individual taxpayers since the TRAIN Law. Business owners: certain key-person or employee-benefit arrangements may qualify as deductible expenses - consult an accountant for your specific structure.

Is a VUL's investment growth taxed?

The death benefit follows the same rules as above. Gains on the investment/cash value component, if withdrawn while alive, may be treated differently - see our VUL guide for details.

March checklist:

- Check whether your beneficiary designations are revocable or irrevocable.
- Confirm your beneficiary designations are up to date.
- If you're a business owner, ask your accountant about deductible insurance arrangements.
- Keep a copy of all policy documents with your tax records.

Want to help people navigate questions like these?

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