

**Information Return for Transfers Associated  
 With Certain Personal Benefit Contracts**

(Under section 170(f)(10))

For the accounting period beginning \_\_\_\_\_, \_\_\_\_\_, and ending \_\_\_\_\_, \_\_\_\_\_.

<b>Please print or type. See Specific Instructions.</b>	Name of organization		Employer identification number .....
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	Telephone number ( )
	City or town, state or country, and ZIP+4		Check <input type="checkbox"/> if exemption application is pending

Type of organization:  Organization exempt under section 501(c)( ) ◀ (insert number)  
 Section 4947(a)(1) nonexempt charitable trust  Section 664(d)(2) charitable remainder unitrust  
 Section 664(d)(1) charitable remainder annuity trust  Other section 170(c) organization

**Part A. Personal Benefit Contracts**

(a) Item number	(b) Contract Issuer Name, address, and ZIP code	(c) Policy number
No. 1	..... ..... .....	
No. 2	..... ..... .....	
No. 3	..... ..... .....	
No. 4	..... ..... .....	
No. 5	..... ..... .....	

**Part B. Premiums Paid on Personal Benefit Contracts by the Organization Or Treated as Paid by the Organization**

(a) Item number from Part A	(b) Date premium paid by the organization	(c) Amount of premium paid by the organization	(d) Date premium paid by others	(e) Amount of premium paid by others	(f) Total of amounts in columns (c) and (e)
No. ____					
No. ____					
No. ____					
No. ____					
No. ____					

(g) Total of amounts in column (f) . . . . . ▶ (g) \_\_\_\_\_

(h) Amount from line (g) of Part B of the **CONTINUATION SCHEDULE** . . . . . ▶ (h) \_\_\_\_\_

(i) **TOTAL.** (Add lines (g) and (h). Enter total here and include this amount on line 8 of Part I of the Form 4720.) . . . . . ▶ (i) \_\_\_\_\_

**Part C. Beneficiaries**

(a) Item number from Part A	(b) Beneficiary's name, address, and ZIP code	(c) Beneficiary's SSN or EIN
No. ____	..... ..... .....	
No. ____	..... ..... .....	
No. ____	..... ..... .....	
No. ____	..... ..... .....	
No. ____	..... ..... .....	

**Part D. Transferors**

(a) Item number from Part A	(b) Transferor's name, address, and ZIP code	(c) Date organization received transfer	(d) Amount of transfer
No. ____	..... ..... .....		
No. ____	..... ..... .....		
No. ____	..... ..... .....		
No. ____	..... ..... .....		
No. ____	..... ..... .....		

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.		
	Signature of officer _____	Date _____	Type or print name and title. _____
<b>Paid Preparer's Use Only</b>	Preparer's signature _____	Date _____	Preparer's name and address _____ ZIP code _____

**CONTINUATION SCHEDULE**

(You may duplicate this Schedule. See instructions.)

Page \_\_\_ of \_\_\_

**Part A. Personal Benefit Contracts (cont.)**

(a) Item number	(b) Contract Issuer Name, address, and ZIP code	(c) Policy number
No. ____	..... .....	
No. ____	..... .....	
No. ____	..... .....	

**Part B. Premiums Paid on Personal Benefit Contracts by the Organization Or Treated as Paid by the Organization (cont.)**

(a) Item number from Part A	(b) Date premium paid by the organization	(c) Amount of premium paid by the organization	(d) Date premium paid by others	(e) Amount of premium paid by others	(f) Total of amounts in columns (c) and (e)
No. ____					
No. ____					
No. ____					

**(g) Total premiums.** Add the amounts in column **(f)**. (Enter here and on **Part B**, page 1, line **(h)**.)   ▶ **(g)** \_\_\_\_\_

**Part C. Beneficiaries (cont.)**

(a) Item number from Part A	(b) Beneficiary's name, address, and ZIP code	(c) Beneficiary's SSN or EIN
No. ____	..... .....	
No. ____	..... .....	
No. ____	..... .....	

**Part D. Transferors (cont.)**

(a) Item number from Part A	(b) Transferor's name, address, and ZIP code	(c) Date organization received transfer	(d) Amount of transfer
No. ____	..... .....		
No. ____	..... .....		
No. ____	..... .....		

## General Instructions

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

### Who Must File

Code section 170(f)(10) requires a charitable organization described in section 170(c) or a charitable remainder trust described in section 664(d) to complete and file Form 8870 if it paid premiums after February 8, 1999, on certain life insurance, annuity, and endowment contracts (personal benefit contracts).

**Note:** Section 170(f)(10)(A) denies a charitable contribution deduction for a transfer to a "charitable organization" if the charitable organization pays any premium on a personal benefit contract with respect to the transferor. If there is an understanding or expectation that any other person will pay any premium on the personal benefit contract, that payment is treated as made by the organization.

Section 170(f)(10)(F)(iii) requires a charitable organization to report annually:

1. The amount of any premiums it paid, on a personal benefit contract to which section 170(f)(10) applies;
2. The name and taxpayer identification number (TIN) of each beneficiary under each contract to which the premiums relate; and
3. Any other information the Secretary may require.

### Definitions

**Charitable organization.** A charitable organization is an organization described in section 170(c). For purposes of this form, a charitable remainder trust, as defined in section 664(d), is also a charitable organization.

**Personal benefit contract.** In general, section 170(f)(10)(B) defines a "personal benefit contract," with respect to the transferor, as any life insurance, annuity, or endowment contract that benefits, directly or indirectly, the transferor, a member of the transferor's family or any other person designated by the transferor (other than an organization described in section 170(c)).

**Exception for charitable gift annuity.** Under section 170(f)(10)(D), a person receiving payments under a charitable gift annuity (as defined in section 501(m)) funded by an annuity contract purchased by a charitable organization is not treated as an indirect beneficiary of a personal benefit contract if the timing and amount of the payments under the annuity contract are substantially the same as the charitable organization's obligations under the charitable gift annuity.

For this exception to apply, the charitable organization must possess all the incidents of ownership and be entitled to all the payments under the annuity contract.

**Exception for charitable remainder trusts.** Under section 170(f)(10)(E), a person receiving annuity or unitrust payments from a charitable remainder trust is not treated as an indirect

beneficiary of a life insurance, annuity, or endowment contract if the trust possesses all of the incidents of ownership under the contract and is entitled to all payments under the contract.

### When To File

A charitable organization, other than a charitable remainder trust described in section 664(d), that paid premiums on a personal benefit contract, must file Form 8870 by the fifteenth day of the fifth month after the end of the tax year. A charitable remainder trust described in section 664(d) must file Form 8870 by April 15 following the calendar year during which it paid the premiums.

If the regular due date falls on a Saturday, Sunday, or legal holiday, file on the next business day. A business day is any day that is not a Saturday, Sunday, or legal holiday.

If the return is not filed by the due date (including any extension granted), attach a statement giving the reasons for not filing on time.

### Where To File

Send the return to the Internal Revenue Service, Ogden, UT 84201-0027.

**Private delivery services.** You can use certain private delivery services designated by the IRS to meet the timely mailing as timely filing/paying rule for tax returns and payments. The most recent list of designated private delivery services was published by the IRS in September 2002. The list includes only the following:

- Airborne Express (Airborne): Overnight Air Express Service, Next Afternoon Service, Second Day Service.
- DHL Worldwide Express (DHL): DHL Same Day Service, DHL USA Overnight.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

### Extension of Time To File

A charitable organization, including a charitable remainder trust, may obtain an extension of time to file Form 8870 by filing **Form 8868**, Application for Extension of Time To File an Exempt Organization Return, on or before the due date of the return.

Generally, the IRS will not grant an extension of time for more than 90 days. If more time is needed, file a second Form 8868 for an additional 90-day extension. In no event will an extension of more than 6 months be granted to any domestic organization.

## Amended Return

The organization may file an amended return at any time to change or add to the information reported on a previously filed return for the same period.

An amended return must provide all the information called for by the form and instructions, not just the new or corrected information. Write "Amended Return" at the top of an amended Form 8870.

## Signature

To make the return complete, an officer of the organization authorized to sign it must sign in the space provided. For a corporation or association, this officer may be the president, vice president, treasurer, assistant treasurer, chief accounting officer, or other corporate or association officer, such as a tax officer. A receiver, trustee, or assignee must sign any return he or she files for a corporation or association. For a trust, the authorized trustee(s) must sign.

Generally, anyone who is paid to prepare the return must sign it in the Paid Preparer's Use Only area.

The paid preparer must:

- Sign the return in the space provided for the preparer's signature.
- Complete the required preparer information.

Leave the paid preparer's space blank if the return was prepared by a regular employee of the filing organization.

## Penalties

Returns required by section 170(f)(10)(F)(iii) are subject to the penalties applicable to returns required under section 6033.

There are also criminal penalties for willful failure to file and for filing fraudulent returns and statements. See sections 7203, 7206, and 7207.

## Other Returns You May Need To File

**Excise tax return.** Section 170(f)(10)(F)(i) imposes on a charitable organization an excise tax equal to the premiums paid by the organization on any personal benefit contract, if the payment of premiums is in connection with a transfer for which a deduction is not allowed under section 170(f)(10)(A).

For purposes of this excise tax, section 170(f)(10)(F)(ii) provides that premium payments made by any other person, pursuant to an understanding or expectation described in section 170(f)(10)(A), are treated as made by the charitable organization.

A charitable organization liable for excise taxes under section 170(f)(10)(F)(i) must file a return on **Form 4720**, Return of Certain Excise Tax on Charities and Other Persons Under Chapters 41 and 42 of the Internal Revenue Code, to report and pay the taxes due.

**Information returns.** Generally, an organization described in section 170(c) files either **Form 990**, Return of Organization Exempt From Income Tax, **Form 990-EZ**, Short Form Return of Organization Exempt From Income Tax, or **Form 990-PF**, Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation.

A charitable remainder trust described in section 664(d), files **Form 5227**, Split-Interest Trust Information Return.

## Phone Help

If you have questions and/or need help completing Form 8870, please call **1-877-829-5500**. This toll-free telephone service is available Monday through Friday from 8:00 a.m. to 6:30 p.m. Eastern time.

## Specific Instructions

### Completing the Heading of Form 8870

**Accounting period.** Use Form 8870 to report either on a calendar year accounting period or on an accounting period other than a calendar year (either a fiscal year or a short period (less than 12 months)). This information should be the same information as reported on your Form 990, 990-EZ, 990-PF, or 5227.

**Name and address.** Include the suite, room, or other unit number after the street address. If the Post Office does not deliver mail to the street address, and the organization has a P.O. box, show the box number instead of the street address.

For foreign addresses, enter information in the following order: city, province, or state, and the name of the country. Follow the foreign country's practice in placing the postal code in the address. Please do not abbreviate the country name.

If a change in address occurs after the return is filed, use **Form 8822**, Change of Address, to notify the IRS of the new address.

**Employer identification number.** The organization should have only one Federal employer identification number (EIN). If it has more than one and has not been advised which to use, notify the Internal Revenue Service, Ogden, UT 84201-0027. State what numbers the organization has, the name and address to which each number was assigned, and the address of its principal office. The IRS will advise the organization which number to use.

**Telephone number.** Enter a telephone number of the organization that the IRS may use during normal business hours to contact the organization. If the organization does not have a telephone number, enter the telephone number of the appropriate organization official.

**Application pending.** If the organization's application for exemption is pending, check this box and complete the return.

**Type of organization.** If the organization is exempt under section 501(c), check the applicable box and insert, within the parentheses, the number that identifies the type of section 501(c) organization the filer is. Private foundations should enter "3" to indicate that they are a section 501(c)(3) organization. If the organization is a section 4947(a)(1) nonexempt charitable trust, a section 664 charitable remainder trust, or other section 170(c) organization, check the applicable box.

### Part A. Personal Benefit Contracts

**Note:** In **Parts A through D**, you will be reporting on personal benefit contracts for which you paid premiums or received transfers during the tax year.

Use the **CONTINUATION SCHEDULE** if you have more than five personal benefit contracts to report. You may duplicate the Continuation Schedule and attach as many schedules as you need to Form 8870. Complete the Continuation Schedule following the Specific Instructions for Parts A through D. However, complete line (g) on only one Continuation Schedule. The figure on that Continuation

Schedule should be the combined total of all your Continuation Schedules. Follow the line (g) instruction on page 3 of the form to carry the line (g) total amount to Part B, page 1, line (h).

To avoid filing an incomplete return or having to respond to requests for missing information, complete all applicable line items. Make an entry (including a zero when appropriate).

**Column (a).** Designate the first personal benefit contract you are reporting as item **No. 1**. Refer to the second personal benefit contract you are reporting as item **No. 2**, etc. In the Parts that follow, you are to provide more information for the personal benefit contract you identified as No. 1, No. 2, etc.

**Part B. Premiums Paid on Personal Benefit Contracts by the Organization Or Treated as Paid by the Organization**

If, in connection with any transfer to a charitable organization, the organization directly or indirectly pays premiums on any personal benefit contract, or there is an understanding or expectation that any person will directly or indirectly pay such premiums, the organization must report the following information.

**Premiums paid by the organization**

**Note:** Complete Part B for all premiums paid during the tax year for which the organization is filing Form 8870.

**Column (a).** Identify all personal benefit contracts by the same item number you used in Part A. List these contracts in the consecutive order they were reported in Part A.

**Premiums paid by others but treated as paid by the organization**

**Column (f).** Enter the total premiums from columns (c) and (e) paid by the organization, directly or indirectly, and other persons during the tax year, on each personal benefit contract.

**Line (i).** Carry this total to Form 4720, line 8, Part I, to report the excise tax due.

**Part C. Beneficiaries**

**Column (a).** Identify all personal benefit contracts by the same item number you used in Part A. List these contracts in consecutive order.

**Column (b).** Report the name, address, and ZIP code of the beneficiary under each personal benefit contract.

**Column (c).** Enter the social security number (SSN) or employer identification number (EIN) of the beneficiary, entered in column (b), of each personal benefit contract.

**Part D. Transferors**

Report in Part D all transfers made during the tax year to the organization in connection with each personal benefit contract listed in Part A.

**Column (a).** Identify all personal benefit contracts with the same item number you used in Part A. List these contracts in consecutive order.

**Column (b).** Report the name, address, and ZIP code of each transferor of funds, transferred directly or indirectly, for use as premiums on each personal benefit contract.

**Paperwork Reduction Act Notice**

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

The organization is not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number.

Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

The time needed to complete and file this form and related schedules will vary depending on individual circumstances. The estimated average times are:

- Recordkeeping** . . . . . 9 hrs. 48 min.
- Learning about the law or the form** . . . . . 2 hrs. 22 min.
- Preparing, copying, assembling, and sending the form to the IRS** . . . . . 2 hrs. 39 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Products Coordinating Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. DO NOT send the form to this address. Instead, see **Where To File** on page 4.

