

# EXECUTIVE SECURITY PROGRAM TAX BENEFITS – IRS CODE 132

Manage risk exposure and deduct security program expenses through an independent security study.

Title 26 U.S.C. § 132 identifies certain deductible fringe benefits that are necessary for the protection of employees within a corporate structure, such as Founders, Partners, C-Suite Executives, and Board of Director Members.

Examples of security-related services that meet these requirements include:

- Private Air and Ground Transportation
- Security Drivers and Protective Agents
- Estate Security Systems
- Office and Executive Suite Security
- Threat Analysis Programs
- Kidnap, Ransom, and Extortion (KR&E) Insurance

## OUR APPROACH

Guideship Partners utilizes a Risk, Threat, and Vulnerability Assessment (RTVA) framework to identify, categorize and assess factors that satisfy the requirements of an independent security study as defined by the IRS.

Our approach comprehensively examines internal and external factors and provides gap analysis to qualify risk profiles, recommendations, and control measures.

Our team has specialized and proven experience in providing executive security program development and support for High-Net-Worth Individuals, Family Offices, Public Figures, and Government Officials.

*References available upon request.*

## IRS CODE 132 REQUIREMENTS

In order to qualify for the provisions of 26 CFR § 1.132-5(m), an independent security study must be completed that identifies “bona fide business-oriented concerns” and meets the following conditions:

- The security study is completed by an independent consultant
- The findings are based on an objective assessment of all facts and circumstances
- The study recommends an overall security program is necessary and reasonable
- The specific security recommendations are applied to employee(s) on a consistent basis

*Be sure to consult tax and legal experts on all matters relating to fringe benefits and their tax treatment. Tax and legal issues regarding 26 USC 132 are subject to change.*