3 T.C. 626 (1944)

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Annuity premiums paid by a corporation for the benefit of its officer-stockholders, under trusts that do not qualify as bona fide employee benefit plans, constitute taxable income to those officers under Section 22(a) of the Internal Revenue Code.

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Summary

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The White-Haines Optical Co. purchased annuity contracts for two of its officers, who were also stockholders, establishing trusts with the Ohio National Bank as trustee. The Tax Court considered whether the premiums paid by the company constituted taxable income to the officers. The court held that because the trusts did not qualify as bona fide employee benefit plans under Section 165 of the Internal Revenue Code, the premiums were considered additional compensation and thus taxable income to the officers under Section 22(a). The company had no widespread pension program and only provided benefits to these two individuals.

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Facts

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The White-Haines Optical Co. (

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