

## Information Regarding Coverage for Domestic Partners

### Who qualifies as a Domestic Partner?

In order for a Domestic Partner to be eligible for benefits, the employee and his or her DP must:

- *Both must be at least 18 years of age;*
- *Currently reside together, have for at least 1 year, and intend to do so permanently;*
- *Are financially interdependent and are able to prove interdependence;*
- *Are unrelated by blood or adoption or to a degree of closeness that would prohibit marriage;*
- *Are not married to, or legally separated from, or in a Domestic Partnership with another person*

### Who qualifies as a child of a Domestic Partner?

Children of Domestic Partners are eligible if the DP is enrolled for benefits and the child...

Lives with them;

- *Is unmarried;*
- *Is younger than the limiting age of the benefits plans (age 26);*
- *Is not otherwise enrolled in an employer's benefits program;*
- *Is over the age of 26 but incapable of self-sustaining employment due to mental or physical handicap*

### What are the tax implications of Domestic Partner coverage?

IRS regulations dictate that the portion of the employee's contribution designated for the DP's and his or her children's coverage cannot be withheld from the employee's pay check on a pre-tax basis

- *This means the portion attributed to the employee's coverage will be taken pre-tax, and the portion attributed to the DP/DP children's coverage will be taken post-tax*

The portion of contributions designated for the DP's and his or her children's coverage must be reported as taxable ("imputed") income to the employee. Because your domestic partner is not your tax dependent under the Internal Revenue Code, the value of his or her health coverage(s) will be imputed to you as taxable income each pay period and the portion of contributions for the coverage of your domestic partner will be deducted from your pay on an after-tax basis.

- *Amount is reported on the employee's Form W-2 at the end of the tax year under gross income*