

## Domestic Partner Coverage

Effective **January 1, 2007**, St. John Fisher College (College) will extend medical and dental coverage to the domestic partners of College employees and their dependents. These benefits are described below.

### Domestic Partner Eligibility

Domestic partners are defined as unmarried couples of the same sex or opposite sex who are eighteen (18) years of age or older and not related by blood. They have a close and committed personal and financial relationship, currently live together, and have been living together on a continuous basis for at least 12 months prior to applying for domestic partner benefits.

### Domestic Partner Dependent Eligibility

The child of a domestic partner may also be covered if he or she is an eligible dependent. An eligible dependent is the natural, adopted, step- or foster child of a domestic partner who meets all of the following criteria:

- Unmarried;
- Receives 50% of his or her support from you or your domestic partner;
- Lives in your household as his or her principal place of residence (unless her or she lives at school or lives elsewhere as the result of divorce or separation);
- Not employed on a full-time basis, except on school vacations; and
- Under age 26.

### Benefits Summary

Domestic partners of active employees (and their eligible dependents) will be eligible for coverage under the following benefit programs.

- Medical.
- Dental.

To add or remove a domestic partner (and their eligible dependents) under the College's coverage at any time during the year, other than during open enrollment, there must be a qualifying event.

### Tax Implications

**Under IRS rules, the value of College-paid benefits for domestic partners are taxable, even though the same benefits would not be taxable for a married couple. As a result, you are not able to use your pre-tax flexible benefit dollars to purchase coverage for your domestic partner or his/her eligible dependents. In addition, you will be taxed for the employer-paid portion of your domestic partner's health care premium. Under some circumstances, however, you may be able to deduct a portion of the premium costs on your income tax return. It's important that you understand the tax implications of covering a domestic partner. We recommend that you consult your own tax advisor to determine what those implications are. Sample scenarios of the tax implications are provided at the end of this document.**

### Flexible Spending Accounts (FSA)

Please note that domestic partner expenses are not eligible FSA expenses. Therefore, these expenses will not be transferred to your FSA, and they will not be reimbursed by your flexible spending account.

## Enrollment Process

### **Affidavit of Domestic Partnership**

To secure coverage for a domestic partner and/or his/her dependents, you and your domestic partner must first read the **Affidavit of Domestic Partnership**, provide the requested information and sign it in the presence of a notary public.

#### **What the Affidavit does...**

- **Makes you eligible to enroll your domestic partner (and dependents) for benefits.**

#### **What the Affidavit doesn't do...**

- **Automatically enroll your domestic partner (and dependents) in benefits.**

When the **Affidavit of Domestic Partnership form** is completed, please return it to the Human Resources Department. Next, to enroll your domestic partner (and/or his/her dependents) in the health and/or dental plans, you will be required to complete the online enrollment form. It is important to note that you need to indicate "domestic partner" under the spouse option on the form. If you are enrolling dependents as well, you will need to indicate "family" on the enrollment form.

*\*Note - Your domestic partner and/or his/her dependents cannot participate in the benefit plans until we have received the completed Affidavit of Domestic Partnership and the online benefit enrollment forms.*

## Cancellation Process

When you have an event that no longer qualifies your domestic partner and/or dependents for benefit coverage:

- You must submit the **Statement of Termination of Domestic Partnership** form to the Human Resources Department, terminating your domestic partnership coverage within 30 days of the change of status. *Please refer to the "Domestic Partner Eligibility" section of this document for further explanation.*
- You will need to complete the "termination" section of the benefit enrollment form as required by our benefit carriers.

Before you can file another **Affidavit of Domestic Partnership** with the same or different domestic partner, you must again meet all requirements for at least twelve (12) consecutive months.

## COBRA

Please note that domestic partners and their dependents do not qualify for continuation coverage under COBRA.

Sample Tax Scenario Worksheet

Provided by the Payroll Department

The information contained here is only a guide. It is not intended to be all-inclusive and may be subject to change. For further information about the tax implications of domestic partner coverage, please contact Mary R. Powley, Director of Payroll Services, at 385-8057, or your own tax advisor.

**Facts for Scenarios**

Gross Wages for pay period:	\$1,000
Federal Withholding Status:	Single, 0 exemptions
NYS Withholding Status:	Single, 0 exemptions
Flex Credit Amount per pay period:	\$(70)
Employee Health Insurance Cost per pay period:	Single coverage: \$65 Two person coverage: \$200
Employer Subsidy for Health Insurance per pay period:	Single coverage: \$35 Two person coverage: \$100
Dental Insurance cost per pay period:	Single coverage: \$9 Two person coverage: \$25

<b>Scenario #1:</b>		<b>Scenario #2:</b>	
Employee is enrolled in both health and dental insurance plans with single coverage.		Employee and his/her domestic partner are enrolled in the College's health and dental insurance plans with two-person coverage. See notes below for payroll tax regulations on how taxable earnings are calculated when an employee elects domestic partner coverage.	
Gross Earnings	\$1,000.00	Gross Earnings	\$1,000.00
<b>Taxes:</b>		<b>Taxes:</b>	
Soc. Sec.	\$ 61.75	Soc. Sec.	\$ 65.78
Medicare	\$ 14.44	Medicare	\$ 15.38
Fed. Tax	\$ 50.00	Fed. Tax	\$ 85.00
NYS Tax	<u>\$ 44.00</u>	NYS Tax	<u>\$ 66.00</u>
	\$ 170.19		\$ 232.16
<b>Benefits:</b>		<b>Benefits:</b>	
Flex Credit	\$(70.00)	Flex Credit	\$(70.00)
Health Ins.	\$ 65.00	Health Ins.	\$200.00
Dental Ins.	<u>\$ 9.00</u>	Dental Ins.	<u>\$ 25.00</u>
	<u>\$ 4.00</u>		<u>\$ 155.00</u>
Net Pay	\$ 825.81	Net Pay	\$ 612.84
<b>Calculation of Taxable Earnings:</b>		<b>Calculation of Taxable Earnings:</b>	
Gross Wages	\$1,000	Gross Wages	\$1,000
+ Flex Credit	+\$ 70	+ Flex Credit	+\$ 70
- Health Ins.	-\$ 65	- Health Ins.	-\$ 65
- Dental Ins.	<u>-\$ 9</u>	- Dental Ins.	<u>-\$ 9</u>
	\$ 996.00	+Taxable	<u>+\$ 65</u>
			\$1,061.00

Payroll tax regulations governing how taxable earnings are calculated when an employee elects domestic partner coverage:

1. Pre-tax deduction regulation: the amount of the pre-tax deduction cannot exceed the amount of the pre-tax deduction prior to enrolling in domestic partner coverage. Therefore, in Scenario #2, the employee's pre-tax deductions cannot exceed the pre-tax deductions from Scenario #1.
2. Taxable Benefit Regulation: a person will incur a taxable benefit when the subsidy amounts differ between the benefits enrolled in prior to participating in domestic partner coverage and the amount when participating in domestic partner coverage. The taxable benefit is the difference between the subsidy amounts. In Scenario #2, the taxable benefit is \$65, or \$100 subsidy for the 2-person plan minus \$35 subsidy for the single plan.