

## **DOMESTIC PARTNER BENEFITS**

County law requires that any employment benefit the County provides for the spouse of a County employee or the spouse's eligible dependents must be provided for the domestic partner of a County employee and the partner's eligible dependents.

### **What are the requirements for domestic partnership?**

To establish a domestic partnership, you and your partner must *either*,

1) satisfy all of the following requirements:

- be the same sex (or opposite sex for members of the FOP, effective July 1, 2001 or members of the IAFF, effective July 1, 2002);
- share a close personal relationship and be responsible for each other's welfare;
- have shared the same legal residence for at least 12 months;
- be at least 18 years old;
- have voluntarily consented to the relationship, without fraud or duress;
- not be married to, or in a domestic partnership with, any other person;
- not be related by blood or affinity in a way that would disqualify them from marriage under State law if the employee and partner were opposite sexes;
- be legally competent to contract; and
- share sufficient financial and legal obligations (described below in the section on *Required Evidence*).

*or*,

2) legally register the domestic partnership, if:

- a domestic partnership registration system exists in the jurisdiction where the employee resides; and
- the OHR Benefits Team determines that the legal requirements for registration are substantially similar to the requirements listed under 1) above.

### **What evidence is required for domestic partnership?**

You must provide the following:

1) *either*,

- an *Affidavit For Domestic Partnership* from the OHR Health Insurance Team signed in the presence of a notary public by both the employee and the employee's partner; or
- an official copy of the domestic partnership registration.

*and*;

2) evidence that you and your partner share items described in at least 2 of the following (*this requirement does not apply to a qualified, registered domestic partnership*):

- a joint housing lease, mortgage, or deed;
- joint ownership of a motor vehicle;
- a joint checking or credit account;
- designation of the partner as a primary beneficiary of the employee's life insurance, retirement benefits, or residuary estate under a will; or
- designation of the partner as holding a durable power of attorney for health care decisions regarding the employee.

### **Under which group insurance plans may I enroll my domestic partner and my partner's eligible dependents?**

You may enroll your domestic partner and your partner's eligible dependents in your medical plan, your prescription plan, your dental plan and your vision plan. The life insurance policy does not allow for life insurance to be extended to a domestic partner or a partner's dependents.

Please note that, reimbursements cannot be made from your Health Care Reimbursement Account of expenses incurred by your domestic partner or your partner's eligible dependents, if they are not your legal tax dependents. This also applies to the Dependent Care Reimbursement Account (in addition to other requirements).

### **How do I enroll my domestic partner and my partner's eligible dependents in my group insurance plans?**

After filing your partnership with OHR you have 60 days to enroll your domestic partner and partner's eligible dependents. You must:

- complete a benefit enrollment form, if your level of coverage will change (e.g., single to family);
- complete a dependent information form, adding your domestic partner and your partner's eligible dependents (*please note that proof of eligibility, such as a birth certificate, is required to add your partner's eligible dependents to your group insurance plans*); and
- complete any forms required by your group insurance plan to add a dependent.

***If your forms are not received by the OHR Health Insurance Team within 60 days of filing a domestic partnership affidavit with all required supporting evidence; you will have to wait until the next enrollment period to add your domestic partner and your partner's eligible dependents, to be effective the next plan year.***

### **What are the tax implications?**

If you cover dependents who do not qualify as tax dependents under the Internal Revenue Code, the value of the County's contribution toward that coverage is considered taxable wages and is also subject to tax withholding. This is *imputed income*. In addition, active employees will have to pay a portion of the group insurance costs with after tax deductions. The County assumes that neither your domestic partner nor your partner's eligible dependents qualify as tax dependents, unless you provide acceptable documentation.

***For active employees who pay their portion of the group insurance costs with pre-tax payroll deductions, the addition of a domestic partner and the partner's eligible dependents to those group insurance plans will have the following effects:***

### **Payroll Deduction**

For each group insurance plan to which you add your domestic partner and your partner's eligible dependents –

- you will pay the difference between your cost for single coverage and your cost for the coverage level that includes the addition of your domestic partner and your partner's eligible dependents, with after-tax deductions; if you are already above the single coverage level because you cover a tax-qualified dependent, then the portion of that difference described above, to be paid with after-tax deductions will be adjusted to reflect proportion that your domestic partner and your partner's eligible dependents bear to the total number of dependents you cover;
- the amount remaining between your total cost (which includes the addition of your domestic partner and your partner's eligible dependents) and what is paid with after-tax deductions (as determined above), will be paid with pre-tax deductions.

### *Examples*

- 1)
  - you currently have single coverage, the cost of which = \$20;
  - after adding your domestic partner and your partner's two children, your coverage level increases to family and your cost = \$50;
  - the difference between your cost for single coverage and your cost for family coverage = \$50 - \$20 or \$30;
  - the after-tax portion of your total deduction of \$50 for family coverage = \$30;
  - the pre-tax portion of your total deduction of \$50 for family coverage = \$50 - \$30 or \$20.
  
- 2)
  - you currently have family coverage, that includes your two children, the cost of which = \$50;
  - your cost, if you had single coverage = \$20;
  - after adding your domestic partner and your partner's two children, your coverage level remains as family and your cost remains = \$50;
  - the difference between your cost for single coverage and your cost for family coverage = \$50 - \$20 or \$30;
  - the proportion of dependents covered via the domestic partnership to the total dependents you cover, including those covered via the domestic partnership =  $\frac{3}{5}$  or 60%;
  - the after-tax portion of your total deduction of \$50 for family coverage = 60% x \$30 or \$18;
  - the pre-tax portion of your total deduction of \$50 for family coverage = \$50 - \$18 or \$32.

### **Imputed Income**

If you cover dependents who do not qualify as tax dependents under the Internal Revenue Code, the value of the County's contribution toward that coverage is considered wages, subject to tax withholding. This is known as *imputed income*. The way that imputed income is determined is very similar to the way that your after-tax deduction is determined, except that the amount the *County* pays is substituted for the amount *you* pay.

### *Examples*

- 1)
  - you currently have single coverage, for which the County pays = \$80;
  - after adding your domestic partner and your partner's two children, your coverage level increases to family and the County now pays = \$200;
  - the difference between the County's cost for single coverage and the County's cost for family coverage = \$200 - \$80 or \$120;
  - you will have reportable imputed income = \$120, subject to tax withholding from your paycheck.
  
- 2)
  - you currently have family coverage, that includes your two children, for which the County pays = \$200;
  - if you had single coverage, the County would pay = \$80;
  - after adding your domestic partner and your partner's two children, your coverage level remains as family and the County's cost remains = \$200;
  - the difference between the County's cost for single coverage and the County's cost for family coverage = \$200 - \$80 or \$120;
  - the proportion of dependents covered via the domestic partnership to the total dependents you will cover, including those covered via the domestic partnership =  $\frac{3}{5}$  or 60%;
  - you will have reportable imputed income = \$120 x 60% or \$72, subject to tax withholding from your paycheck.

*For active and retired employees who pay their portion of the group insurance costs with after-tax deductions from their pay or retirement benefit, or through direct bill, the addition of a domestic partner and the partner's eligible dependents to those group insurance plans will have only the imputed income effect described above.*

**What if my domestic partnership ends?**

Should your relationship with your domestic partner end, or you no longer meet the domestic partnership requirements, the domestic partner and the partner's eligible dependents are no longer eligible for coverage under Montgomery County's group insurance and retirement plans. You must notify the OHR Health Insurance Team (on an approved Statement of Dissolution of Domestic Partnership form) within 30 days. Coverage under the plans will terminate and the domestic partner and the partner's eligible dependents may be able to continue their health coverage under COBRA.

***PLEASE NOTE:***

***The information presented in this material has been prepared to assist you in understanding domestic partner benefits. While this material attempts to summarize domestic partner benefits and answer questions you may have, it is by no means exhaustive or exclusive. NO GUARANTEE OR CONTRACT IS CREATED BY THIS MATERIAL. In the event that this material conflicts with Montgomery County Code, federal law or collective bargaining agreements in effect, the language of the Montgomery County Code, the federal law and the collective bargaining agreements will be the final authority.***

**CONFIDENTIAL**

**MONTGOMERY COUNTY  
AFFIDAVIT FOR DOMESTIC PARTNERSHIP**

*(ALL REQUIRED EVIDENCE AND DOCUMENTATION MUST BE ATTACHED TO THIS FORM)*

**Part I**

I, \_\_\_\_\_, Social Security # \_\_\_\_\_  
*Employee - Print Name*

and I, \_\_\_\_\_, Social Security # \_\_\_\_\_  
*Domestic Partner - Print Name*

affirm, under penalty of perjury, that we are domestic partners as defined under the Montgomery County Code, Section 33-22 in that either –

(1) We satisfy **all** the following requirements:

- (A) be the same sex (or opposite sex for members of the FOP, effective July 1, 2001 and for members of the IAFF, effective July 1, 2002);
- (B) share a close personal relationship and be responsible for each other's welfare;
- (C) have shared the same legal residence for at least 12 months;
- (D) be at least 18 years old;
- (E) have voluntarily consented to the relationship, without fraud or duress;
- (F) not be married to, or in a domestic partnership with, any other person;
- (G) not be related by blood or affinity in a way that would disqualify them from marriage under State law if the employee and partner were opposite sexes;
- (H) be legally competent to contract; and
- (I) share sufficient financial and legal obligations to satisfy at least two of the following items **(evidence required)**:
  - 1. a joint housing lease, mortgage, or deed;
  - 2. joint ownership of a motor vehicle;
  - 3. a joint checking or credit account;
  - 4. designation of the partner as a primary beneficiary of the employee's life insurance, retirement benefits, or residuary estate under a will; or
  - 5. designation of the partner as holding a durable power of attorney for health care decisions regarding the employee.

or,

(2) The jurisdiction in which we reside has a domestic partner registration system and we have legally registered the domestic partnership in that jurisdiction **(an official copy of the domestic partnership registration is required; also the legal requirements for registration must be substantially similar to the requirements under the Montgomery County Code, Section 33-22 as summarized in (1) above)**.

