

UNIVERSITY OF ROCHESTER
CERTIFICATION OF DOMESTIC PARTNER STATUS

Employee's Name: _____ Soc. Sec. # _____
(Please Print)

Domestic Partner's Name: _____ Soc. Sec. # _____
(Please Print)

I certify that we meet the following criteria as domestic partners for the purpose of being eligible for certain benefits offered under the University of Rochester Postdoctoral Scholar Benefit Program.

1. We have an exclusive mutual commitment, similar to that of marriage;
2. We are each other's sole domestic partner and intend to remain so indefinitely;
3. Neither of us is legally married under a marriage that is recognized under state or federal law;
4. We are not related by blood to a degree of closeness which would prohibit legal marriage in the state in which we legally reside;
5. We are both at least eighteen (18) years of age and are legally competent to contract;
6. We are currently residing together and have resided together in a common household for at least six (6) consecutive months and intend to reside together indefinitely. (The residency requirement can be suspended for up to twelve (12) months when a partner resides in a different geographical area on a temporary basis.)
7. It has been at least six (6) months since the University's Benefits Office has received a Statement of Termination of Domestic Partnership from either of us; and
8. We share joint responsibility for our common welfare and financial obligations demonstrated by (a) the existence of a domestic partner agreement (a qualifying domestic partnership agreement is a legally binding agreement between two individuals creating personal and financial interdependence, i.e., joint and several liability for each other's debts and expenses, responsibility for mutual care, etc.); and (b) at least two other items showing joint responsibility, such as joint bank accounts, joint deed, mortgage agreement or lease, joint credit account or other liability, joint ownership of a motor vehicle, designation of domestic partner as primary beneficiary for life insurance or retirement contract(s), designation of domestic partner as primary beneficiary of will, durable power or health care power of attorney, co-parenting agreement, or an adoption agreement.

By signing this certification I, the undersigned employee, understand that:

1. Domestic partners and their dependents are subject to the same plan guidelines which govern all other participants in the University's benefits programs. The plan documents and the insurance contracts govern all questions of coverage.
2. The University reserves the right to request proof that the domestic partnership meets the eligibility criteria set forth above and I agree to provide the University with supporting documents (e.g., domestic partner agreement, the existence of joint bank accounts, joint liability for mortgages and the like) if requested to do so. The University in its sole discretion has the right to determine whether the criteria have been satisfied.
3. I may be taxed on the value of the benefits provided to my domestic partner and, if applicable, his/her dependent children, and I am responsible for any such tax consequences. For example, the value of health and dental coverage provided to my domestic partner and, if applicable, his/her dependent children may trigger taxable income to me. Also, the value of any tuition benefits provided to my domestic partner and, if applicable, his/her dependent children will be taxed to me.
4. If there is any change in our status as domestic partners as certified herein, I will notify the University within thirty (30) days of such a change. (If this change results in a termination of the domestic partnership status, a Statement of Termination of Domestic Partnership must be completed and filed with the Benefits Office. The domestic partnership status will be terminated as of the date the Termination Statement is signed.)
5. I understand that the University may change its rules on domestic partners, on COBRA benefits, and any other aspect of its benefit plans at any time.

I affirm the statements made above are true and complete to the best of my knowledge and understand that false statements and/or the failure to notify the University of Rochester of any changes in status can result in disciplinary action.

Signature of Employee

Please Print Name

Date

* These include the plans offered through the University of Rochester Postdoctoral Benefit Program including medical, dental and voluntary vision. To participate in a program, the domestic partner and, if applicable, his/her dependents must enroll in the program, and benefits are subject to the terms and conditions of the program.

University of Rochester Benefits for Domestic Partners - Questions and Answers

General Rules

1. Q. WHAT IS THE DEFINITION OF 'DOMESTIC PARTNER' FOR THE UNIVERSITY OF ROCHESTER'S BENEFIT PROGRAMS?

An employee's domestic partner can have the same or opposite gender as the employee; provided that the employee and his/her domestic partner must satisfy all of the following criteria:

- ◆ Have an exclusive mutual commitment, similar to that of marriage;
- ◆ Are each other's sole domestic partner and intend to remain so indefinitely;
- ◆ Neither partner is legally married under a marriage recognized by state or federal law;
- ◆ Are not related by blood to a degree of closeness which would prohibit legal marriage in the state in which the partners legally reside;
- ◆ Are at least eighteen (18) years of age and are legally competent to contract;
- ◆ Are currently residing together and have resided together in a common household for at least six (6) consecutive months and intend to reside together indefinitely. The residency requirement can be suspended for up to twelve (12) months when a spouse or partner resides in a different geographical area on a temporary basis.
- ◆ At least six (6) months have elapsed since the Benefits Office has received a Statement of Termination of Domestic Partnership from either partner; and
- ◆ Share joint responsibility for the partners' common welfare and financial obligations demonstrated by: (a) the existence of a domestic partner agreement (a qualifying domestic partnership agreement is a legally binding agreement between two individuals creating personal and financial interdependence, i.e., joint and several liability for each other's debts and expenses, responsibility for mutual care, etc.); and (b) at least two other items showing joint responsibility, such as joint bank accounts, joint deed, mortgage agreement or lease, joint credit account or other liability, joint ownership of a motor vehicle, designation of domestic partner as primary beneficiary for life insurance or retirement contract(s), designation of domestic partner as primary beneficiary of will, durable property or health care power of attorney, co-parenting agreement, or an adoption agreement.

2. **Q. WHAT ACTIONS ARE REQUIRED IF A DOMESTIC PARTNERSHIP IS TERMINATED?**

A. The University must be notified within thirty (30) days of the terminated relationship. You satisfy this requirement by filing a Statement of Termination of Domestic Partnership with the Benefits Office.

3. **Q. FOLLOWING THE TERMINATION OF A DOMESTIC PARTNERSHIP, WHEN CAN A NEW PARTNER BE ENROLLED?**

A. There is a six month waiting period before a new partner can be enrolled.

4. **Q. WHAT ARE THE TAX CONSEQUENCES OF ENROLLING A DOMESTIC PARTNER AND HIS/HER CHILDREN IN THE UNIVERSITY'S BENEFIT PROGRAM?**

A. The tax consequences of enrolling a domestic partner and his/her children in a University benefit program will depend on the plan and whether or not the domestic partner and his/her children are tax dependents. For example, in certain cases, enrolling a domestic partner and his/her children in the University's health and dental plans may trigger taxable income to the employee. (Please see General Rules Q & A 7 for additional information on how to verify for the University that an employee's domestic partner and his/her children qualify as tax dependents for purposes of the University's health and dental plans.) Tuition assistance benefits provided to an employee's domestic partner and his/her children will trigger taxable income to the employee. You are responsible for any tax consequences associated with enrolling your domestic partner and his/her children in a University benefit plan.

5. **Q. WHAT IF MY DOMESTIC PARTNER AND/OR HIS/HER CHILDREN QUALIFY AS A FEDERAL TAX DEPENDENT(S)?**

A. If your domestic partner and/or domestic partner's children qualify as your tax dependent under Federal law, then you may be able to obtain his/her health benefits on a pre-tax basis, and you may be able to claim reimbursements for his/her medical or dental expenses from your health Flexible Spending Account (FSA) or Health Savings Account (HSA). To ensure compliance with the tax law, we require all employees who indicate a domestic partner and/or his/her children qualify for pre-tax benefits under the University of Rochester Benefit Programs to complete an "Affidavit of Same-Sex Spouse's/Domestic Partner's (Opposite-Sex and Same-Sex) Federal Tax Dependent Status Form," available online at <http://www.rochester.edu/working/hr/benefits/forms/> at the Benefits Office. The University encourages you to get advice from a tax professional regarding whether your same-sex spouse/domestic partner or his/her children are your tax dependents before you complete this affidavit.

6. **Q. DOES THE TAXABLE INCOME FOR DOMESTIC PARTNER COVERAGE AFFECT OTHER BENEFITS?**

A. Any income imputed to you does not affect other University benefit plans. It is not

included, for example, in the compensation base for your group life insurance, disability benefits, or the University's contributions to the retirement plan. Any additional Social Security taxes paid on your imputed income, however, could give you a higher Social Security benefit.

7. Q. WHAT IS THE TAXABILITY OF HEALTH AND DENTAL COVERAGE?

- A. The IRS has issued a tax ruling stating that if a domestic partner qualifies as a tax dependent of the employee, the University-provided value of health and dental benefits will not be treated as taxable income. In all other cases, probably most situations, the employee will have imputed income equal to the value of the benefit provided by the University.

Example: Assume that you work full-time, earn \$30,000 per year and currently have single coverage under University High Deductible Plan. The University's share of the annual premium for single coverage is \$4,097.76. There is no imputed income in this situation. Now assume that you elect a family plan to cover you, your domestic partner and your domestic partner's dependent children. The University's share of the annual premium for family coverage would be \$12,293.22. In this case, you will have annual imputed income of \$8,195.46, the additional cost of the University's share of providing health benefits to your domestic partner and his or her dependent children.

Imputed income is treated as taxable wages that will be reported to you as taxable income on your W-2 Form and are subject to FICA (Social Security and Medicare) taxes and income tax withholding requirements.

Any contributions you make to the employee share of the premium for taxable domestic partner coverage must be made on an after-tax basis.

Accordingly, using the same example as above, assume you work full-time, earn \$30,000 per year and currently have single coverage under the University High Deductible Plan. Your share of the annual premium for the single coverage is \$161.94 and is automatically taken from pre-tax earnings. Now assume that you elect a family plan to cover you, your domestic partner and your domestic partner's dependent children. Your share of the annual premium for family coverage would be \$485.94. In this instance, your additional cost of \$324.00 for domestic partner benefits would be taken from after-tax earnings.

8. Q. CAN A DOMESTIC PARTNER'S ELIGIBLE MEDICAL/DENTAL EXPENSES BE REIMBURSED THROUGH THE UNIVERSITY'S FLEXIBLE SPENDING (FSA) PROGRAM OR UNDER A HEALTH SAVINGS ACCOUNT?

- A. Not unless the domestic partner is a tax dependent for health insurance purposes (See General Rules Q & A #7). IRS regulations that govern FSA's and HSA's allow reimbursement of expenses only for the employee, the employee's spouse and the employee's dependents.

If your domestic partner does not qualify as your tax dependent for health insurance

purposes, your domestic partner's health care and dental care expenses not covered by your benefit plans would be ineligible for reimbursement through your Medical/Dental FSA. In that case, you must notify your FSA administrator (Aetna or EBS-RMSCO) to turn off the automatic claims reimbursement feature to make sure that you are not reimbursed for any ineligible expenses.

9. Q. HOW DO I KNOW IF MY DOMESTIC PARTNER IS MY TAX DEPENDENT FOR HEALTH INSURANCE PURPOSES?

- A. Generally, Section 105(b) of the Internal Revenue Code defines someone as your dependent for health insurance purposes if all the following are met:
- (a) You provide over one-half the support* of the person for the year; and
 - (b) The person is a member of your household for the entire calendar year; and
 - (c) The person is not a qualifying child of any other taxpayer; and
 - (d) Your home is the principle place of residence of the person for the entire calendar year; and
 - (e) The person is a U.S. citizen, a U.S. national, or a resident of the U.S., Canada, or Mexico.

The same tests apply to both domestic partners and their dependent children. If you believe your domestic partner or his/her children may be your tax dependents, you should check with your tax advisor for clarification. This is important because anyone wrongly certifying someone as a dependent will be subject to disciplinary action and potential charges of tax fraud.

* To determine whether you provide more than half of the total support for your domestic partner, you must compare the amount of support you provide with the amount of support your domestic partner receives from all sources, including Social Security, welfare payments, the support you provide, and the support your domestic partner provides from his or her own funds. Support includes food, shelter, clothing, medical and dental care, education, and the like. If you believe you might provide more than half of the support for your domestic partner, you should use the support worksheet in IRS Publication 501 (Exemptions, Standard Deduction, and Filing Information).

Please note that an individual could qualify as a tax dependent for health insurance purposes, but not on your tax return, if they earn more than \$3,650 (the exemption amount as defined in Code §151(d)), but still receive more than half of their support from you.

10. Q. DO BENEFITS CONTINUE DURING FAMILY LEAVE?

- A. This program does not modify the requirements for entitlement to leave under the Family and Medical Leave Act ("FMLA"). However, if you are eligible for leave under the University's family leave policy, health care benefits for domestic

partners and their children will be available under the same terms and conditions applicable generally to employees who take family leave.

11. Q. WHAT HAPPENS TO DOMESTIC PARTNER BENEFITS IF AN EVENT OCCURS THAT ENTITLES ME TO RECEIVE CONTINUATION COVERAGE UNDER COBRA?

- A. COBRA requires continuation coverage only for the opposite-sex spouse and certain covered children of an employee. However, the University has elected to make continuation coverage of health and dental coverage available to domestic partners and their children to the same extent such coverage is available under COBRA to spouses and children of an employee.

12. Q. WHAT IS THE TAXABILITY OF TUITION BENEFIT COVERAGE FOR A DOMESTIC PARTNER?

- A. Under IRS rules, tuition benefits provided by the University to your domestic partner are considered taxable wages. You will have imputed income equal to the value of the tuition benefit provided by the University for your domestic partner. **Applicable Federal and State income taxes and FICA taxes will be deducted from your paycheck when the waiver is approved** and the taxable income will be reflected on your W-2 for the calendar year when the actual tuition credit is posted to your domestic partner's account.

13. Q. WHAT IS THE TAXABILITY OF TUITION BENEFIT COVERAGE FOR DEPENDENT CHILD(REN) OF A DOMESTIC PARTNER?

- A. Under IRS rules, tuition benefits provided by the University to your domestic partner's dependent child(ren) are considered taxable wages. You will have imputed income equal to the value of the tuition benefit provided by the University for your domestic partner's dependent child(ren). **Applicable Federal and State income taxes and FICA taxes will be deducted from your paycheck when the waiver is approved** and the taxable income will be reflected on your W-2 for the calendar year when the actual tuition credit is posted to your domestic partner's dependent child's account.

The University reserves the right to modify, amend, or terminate the plans at anytime, including actions that may affect coverage, cost-sharing, or covered benefits, as well as benefits provided to current and future retirees.