

## Domestic partner benefits eligibility and tax implications

The following is information you need to know before adding your domestic partner (either same or opposite sex) to medical and/or dental insurance coverage.

### Definition of a domestic partner

An individual with whom you have agreed to live as sole domestic partners in a relationship that is characterized by all of the following:

1. You have a committed spousal-type relationship of mutual support and caring, and you intend to remain in the relationship indefinitely.
2. Your domestic partnership is, and has been for the past six months, publicly acknowledged and commonly recognized within the communities in which you live and work.
3. You share financial resources and have agreed to be responsible for each other's common welfare.

### Eligibility

The employee and the domestic partner attest to all of the following:

1. You are both 18 years of age or older.
2. You are both mentally competent to make the declarations required by the enrollment form.
3. You are not related by blood closer than would bar marriage in the state of Wisconsin.
4. For at least the past six months prior to your application for coverage in the benefit plans, all of the following have been true:
  - You have lived together in the same dwelling unit.
  - Neither of you were married or legally separated in marriage.
  - Neither of you were a party to an action or proceeding for divorce or annulment.
  - Neither of you were in another domestic relationship.
  - You were financially interdependent as evidenced by at least two of the following:
    - a. Common or joint ownership of a residence.
    - b. Joint ownership of a motor vehicle.
    - c. Joint credit account; for example, a credit card.
    - d. Joint checking or savings account.
    - e. Your domestic partner identified as primary beneficiary in your will, life insurance policy(ies), tax-sheltered annuity account(s), IRA(s) or other retirement accounts.
    - f. Joint financial investments.

### Premiums and taxable income

Gundersen's contributions for your domestic partner coverage will be the same as the contributions for an employee who has spousal coverage.

If you elect to cover your domestic partner, then Gundersen will:

1. Deduct your employee contribution for your domestic partner's coverage from your pay on an after-tax basis, and
2. Include on your paycheck Gundersen's actuarial calculation of the value of your domestic partner's coverage as taxable income to you for federal and state income taxes, and as taxable wages to you for Social Security and Medicare taxes. Gundersen will withhold federal, state, FICA and Medicare income taxes on the value of coverage using your current exemptions on file. If you need additional federal and state income tax withholding to cover your added tax burden, you may complete a new W-4 withholding form, which is available on Employee Self Service.
3. As state and federal tax laws are subject to change, please see your tax preparer for tax advice.

**NOTE: See the Gundersen Open Enrollment SharePoint Site for domestic partner premiums and taxable income.**

If your domestic partner is a "dependent" as defined by the following Internal Revenue Code, please consult your tax preparer, as it may impact the filing of your individual income tax return. Section 152(d) of the Internal Revenue Code states that a "dependent" may include any individual (other than the employee's spouse) who receives over half of his/her support for the calendar year from the employee, and whose principal place of abode for the year is the employee's home, and who is a member of the employee's immediate household.

### Termination of coverage

You must notify Gundersen Benefits within 30 days if the domestic partnership is no longer in effect. There is no legal COBRA provision for domestic partners, but Gundersen will offer COBRA continuation of coverage if notified within COBRA required time limits. A subsequent domestic partner cannot be added for at least six months.

### Voluntary cancellation of coverage

You may cancel coverage for your domestic partner at any time during the year. However, your domestic partner will not be eligible for COBRA continuation of coverage.