

Domestic Partner Group Insurance Benefits

(Revised 5/09/06)

Employees interested in enrolling a domestic partner should read the following information carefully as there could be significant tax consequences upon enrolling a domestic partner as a dependent.

Who is Eligible for the Domestic Partner Benefit?

The AFSCME agreement of July 2004 negotiated health benefits for employees who have an eligible same-sex domestic partner. Effective July 1, 2006, same-sex individuals who reside in the same household and have a financial and emotional interdependence, consistent with that of a married couple for a period of not less than one year and continue to maintain such arrangement are eligible for medical, dental and vision benefits through the State of Illinois Group Insurance Program. The minimum age of a domestic partner is 19 years old. Neither the employee, nor the domestic partner, may be married at the time of enrollment. If either partner gets married at any time after the enrollment, the domestic partner's coverage must be terminated. If both parties are State employees, one may not waive coverage as a member to become a dependent of the other member. Please note, dependent children of the domestic partner cannot be added to the employee's coverage unless the employee legally adopts or obtains legal guardianship of the children.

What coverage is available for a Domestic Partner?

Group health coverage, including medical, pharmacy, dental and vision, is available for domestic partners of eligible employees. Domestic partners are NOT eligible for life coverage and may not participate in the Flexible Spending Accounts (FSA) Program, Adoption Benefit Program or the Smoking Cessation Program.

Benefit Enrollment Procedures

A domestic partner may be added to an employee's coverage either during the annual Benefit Choice Period or upon experiencing a qualifying change in status as long as the relationship meets all of the requirements indicated on the Domestic Partnership Affidavit. Employees seeking to enroll their same-sex domestic partner in the State of Illinois Group Insurance Program for medical, dental and vision coverage must complete a Domestic Partnership Affidavit and a Domestic Partner Enrollment Form and provide a copy of the domestic partner's birth certificate or driver's license/State identification card, along with documentation to provide evidence of the relationship (see below). The employee must give the completed forms to the agency Group Insurance Representative (GIR). The GIR will complete the "GIR Use Only" section of the forms and forward to the Group Insurance Division (Division) at the Department of Central Management Services, along with the supporting documentation. Upon receipt, the employee and employing agency will be notified of the documentation being accepted or rejected based upon completeness of the information provided and the documentation. If the domestic partner qualifies as an IRS dependent and the affidavit is accepted, the agency will contact payroll to change the employee's insurance deductions. If the domestic partner does not qualify as an IRS dependent, the Special Payment Programs Unit at CMS will bill the employee for the premium amount due for the domestic partner's coverage.

Criteria to add a Domestic Partner

In order to enroll a domestic partner in the Group Insurance Program, an employee must provide proof of eligibility. The following eligibility requirements must be met:

- The employee must be enrolled in the State Employees Group Insurance Program.
- The employee and the domestic partner must be each other's sole domestic partner and intend to remain so indefinitely, responsible for each other's common welfare, and
- The domestic partner must be at least 19 years of age, the same sex as the employee, must reside at the same residence of the employee for at least twelve (12) months prior to filing the Domestic Partnership Affidavit and intend to do so indefinitely and must be mentally competent to consent to this affidavit, and
- The employee and domestic partner must share a committed and mutually dependent relationship with each other that is similar to that of a married couple, and
- Neither the employee nor the domestic partner can be married or legally separated (if the employee or the domestic partner were previously married, proof of dissolution of marriage is required), and
- The employee and the domestic partner must be jointly responsible for each other's common welfare and share financial obligations, which may be demonstrated by the existence of at least two of the documents from the list below.

Documentation Necessary to Prove Domestic Partnership

- £ Ownership of a joint bank account
- £ Joint ownership or holding of investments
- £ Ownership of a joint credit card
- £ A joint mortgage or lease
- £ Evidence of a joint obligation on a loan
- £ Mutually granted durable power of attorney
- £ Joint ownership of a residence
- £ Affidavit by a creditor able to testify to the partner's financial interdependence
- £ Evidence of a common household (e.g. utility bills, joint public assistance, telephone bills)
- £ Joint ownership or lease of a motor vehicle
- £ Evidence of other joint responsibility, such as child care (e.g., school documents, guardianship)
- £ Designation of one partner as the representative payee for the other's government benefits
- £ Mutually granted authority to make healthcare decisions (e.g., healthcare power of attorney)
- £ Authorized signatory authority on the partner's bank account, credit card or charge card
- £ Other proof establishing economic interdependence
- £ Beneficiary designation under the other's life insurance policy, retirement benefits account, will or executor of each other's will
- £ **Cook County Domestic Partnership Certificate** - Employees eligible to register with the Cook County Registry for same-sex couples may submit the Cook County Domestic Partnership Certificate in lieu of providing two of the items listed above.

Domestic Partnership Affidavit

In order for employees to access the healthcare benefits available to their domestic partner, a Domestic Partner Affidavit (CMS-510) must be completed and submitted, along with the supporting documentation, to the agency GIR.

Adding a Domestic Partner's Dependents

Dependent children of a domestic partner are not eligible for coverage under the State of Illinois, unless the employee has legally adopted the dependents or is their legal guardian. Court documentation is required to prove the relationship.

Effective Dates of Coverage

Upon approval of a Domestic Partnership Affidavit submitted as a mid-year enrollment, health, dental and vision coverage for the domestic partner would begin the first day of the pay period following the signature date on the Domestic Partner Enrollment Form. The effective date of coverage for an approved domestic partner request submitted during the annual Benefit Choice Period will be the following July 1st. In the event the domestic partner loses other coverage, coverage may be effective the date of the loss of other coverage if requested prior to losing that coverage.

Taxes and Domestic Partner Coverage

Under federal tax law, if a same-sex domestic partner **does not qualify** as the employee's tax dependent as defined by the IRS, the portion of the premium paid by the State of Illinois for the domestic partner's coverage will be included in the employee's gross income, subject to federal income tax withholding and employment taxes and will be reported on the employee's W-2 form. This is referred to as imputed income.

If a domestic partner **does qualify** under the IRS tax code to be the employee's tax dependent, no portion of the premiums paid by the State of Illinois will be included in the employee's income. Additionally, no portion will be subject to federal withholding or employment taxes. There are strict regulations that must be met for a domestic partner to qualify as a dependent. Members who indicate on the Domestic Partner Enrollment Form that the domestic partner is their dependent must provide a copy of the most recent year's income tax statement.

Who is a Tax Dependent?

A same-sex domestic partner can qualify as the employee's tax dependent under Internal Revenue Code Section 152(a), only if:

- For the entire calendar year in question, he or she lives with the employee as a member of the household the employee maintains and occupies, and
- During the calendar year in question, the employee provides more than half of his or her total support (see below).
- The domestic partner earned less than the allowable exemption amount (currently \$3200.00 for the tax year).
- Cannot be claimed as a dependent of another taxpayer.

Determining Support Amount for Tax Purposes

Employees should use the support worksheet in IRS Publication 501 (Exemptions, Standard Deduction and Filing Information) to determine if they provide more than half of the domestic partner's support. In general, an employee can determine whether they provide more than half of the domestic partner's total support by comparing the amount of support they provide to the domestic partner versus the amount of support the domestic partner receives from all sources, including the support provided by the employee, social security, welfare payments and the support the domestic partner supplies for himself or herself. Support includes food, shelter, clothing, medical and dental care, education and the like. Employees should consult with a tax advisor regarding tax consequences.

Premium Payment of Domestic Partner Coverage

Premiums paid for the coverage of a domestic partner who is not the employee's dependent as defined by the IRS will be on an after-tax basis. Premium deductions for the coverage of domestic partners who qualify as an eligible dependent under the IRS tax code will be on a pre-tax basis.

The Special Payment Programs Unit at the Department of Central Management Services will direct bill the employee each month for the premium of the coverage of those domestic partners who do not qualify as an IRS tax dependent. If premiums are not paid by the due date indicated, the domestic partner's coverage will be terminated for non-payment of premium. If coverage is terminated for this reason, the employee will not be allowed to re-enroll the domestic partner until the next annual Benefit Choice Period and COBRA will not be offered to the domestic partner.

Premium Amount for Coverage

Domestic Partner Qualifies as IRS Tax Dependent

The premium amount for FY07 for domestic partners who qualify as an IRS tax dependent is the same as the amount charged for any other dependent and will be payroll deducted on a pre-tax basis.

Domestic Partner Does Not Qualify as an IRS Tax Dependent

The premium amount for FY07 for domestic partners who do not qualify as an IRS tax dependent is the 'One Dependent' premium amount, regardless of the number of dependents on the member's coverage. The member will be direct billed monthly on a post-tax basis for the premium amount due.

Annual Recertification Process

Each year, the employee will receive a recertification document from CMS. The employee must complete the document to certify whether or not the domestic partner continues to meet eligibility requirements. If the domestic partner does not continue to meet the eligibility criteria, coverage will be terminated.

State of Illinois
Group Insurance Program
Domestic Partnership Affidavit

I. DECLARATION

We, _____ and _____
(Employee – PRINT NAME) (Domestic Partner – PRINT NAME)

certify and declare that we are domestic partners in accordance with the following criteria and are eligible for Medical, Pharmacy, Dental and Vision benefits under the State of Illinois Employee Group Insurance Program. We understand that life coverage for a Domestic Partner is not an option under the State of Illinois Employee Group Insurance Program.

II. DOMESTIC PARTNER CRITERIA

1. We are each other's sole domestic partner and intend to remain so indefinitely.
2. We understand that if the Domestic Partner's coverage is terminated due to non-payment of premium, the Employee cannot re-enroll the Domestic Partner until the next Benefit Choice Period.
3. Neither of us is currently married or legally separated.
4. We are at least nineteen (19) years of age and mentally competent to consent to this affidavit.
5. We have continuously resided together in the same residence for at least twelve (12) months and intend to do so indefinitely.
6. We share a committed and mutually dependent relationship with each other that is similar to that of a married couple.
7. We are the same sex and for this reason are unable to marry each other under Illinois law.
8. We are jointly responsible for each other's common welfare and share financial obligations, which may be demonstrated by the existence of at least two of the documents from Section V or a Cook County Domestic Partnership Certificate.

III. TAX CONSEQUENCES OF DOMESTIC PARTNER AS A DEPENDENT

We understand that it is our responsibility to consult a tax advisor before certifying that the Domestic Partner is a dependent as defined by the Internal Revenue Code. We understand that by answering "YES, my Domestic Partner qualifies as my dependent for Federal income tax purposes" on the Domestic Partner Enrollment form, contributions made for the Domestic Partner's coverage will be on a pre-tax basis and will not be reported as imputed income on the Employee's W2. We understand that by answering "No, my Domestic Partner does not qualify as my dependent for Federal income tax purposes", contributions made for the Domestic Partner's coverage will be on a post-tax basis and will be reported as imputed income on the Employee's W2.

IV. CHANGE IN DOMESTIC PARTNERSHIP

1. We understand that we are required to notify the State of Illinois within thirty-one (31) days of a change in our status as domestic partners as required by submitting a Termination of Group Insurance Coverage for Domestic Partner form to the agency Group Insurance Representative (GIR).
2. We understand that if we elect to terminate the Domestic Partner's coverage voluntarily for such reasons as the Domestic Partner becoming eligible for other coverage, or the Domestic Partner becomes ineligible for the State of Illinois Group Insurance Program (for example, relationship terminates, either partner marries, etc.), coverage under the Program will be terminated as of the signature date on the Termination of Group Insurance Coverage for Domestic Partner form.

V. DOMESTIC PARTNER DOCUMENTATION

Supporting Documentation - Please check two boxes and attach the supporting documents OR, if you have registered with the Cook County Registry and have received a Cook County Domestic Partnership Certificate, you need only check that box and submit a copy of the Certificate.

The documentation requirements below are in addition to either the Birth Certificate of Driver's License/State ID of the Domestic Partner.

- Ownership of a joint bank account
- Joint ownership or holding of investments
- Ownership of a joint credit card
- A joint mortgage or lease
- Evidence of a joint obligation on a loan
- Mutually granted durable power of attorney
- Joint ownership of a residence
- Affidavit by a creditor able to testify to the partner's financial interdependence
- Evidence of a common household (e.g. utility bills, joint public assistance, telephone bills)
- Joint ownership or lease of a motor vehicle
- Evidence of other joint responsibility, such as child care (e.g., school documents, guardianship)
- Designation of one partner as the representative payee for the other's government benefits
- Mutually granted authority to make health care decisions (e.g., health care power of attorney)
- Authorized signatory authority on the partner's bank account, credit card or charge card
- Other proof establishing economic interdependence
- Beneficiary designation under the other's life insurance policy, retirement benefits account, or will, or executor of each other's will
- Cook County Domestic Partnership Certificate** - Chicago employees eligible to register with the Cook County Registry for same-sex couples may submit the Cook County Domestic Partnership Certificate in lieu of providing two of the items listed above.

VI. ACKNOWLEDGEMENTS

1. We understand that any person/employer/insurer/claims administrator who suffers any loss due to false statements contained in this Affidavit may bring civil action against either or both of us to recover their losses, including reasonable attorney’s fees.

2. We have provided the information in this Affidavit for use by the Group Insurance Division of the State of Illinois for the sole purpose of determining eligibility for domestic partner benefits. We understand that this information will be held confidential and will be subject to disclosure only upon our express written authorization, pursuant to a court order or if there is a compelling-business need to have access to the information.

3. We understand that this Affidavit may have legal implications relating to, for example, our ownership of property or taxability of benefits provided, and that before signing this Affidavit, it is our responsibility to seek competent legal and accounting advice concerning such matters.

4. We agree to reimburse the State of Illinois for any and all liability including, without limitation, taxes, penalties or losses (including reasonable attorney’s fees), that the State of Illinois may incur arising out of its reliance on this affidavit if it is untrue in any respect or if the required notice of termination is not filed.

We declare, under penalty of perjury under the laws of the State of Illinois that the assertions in this Affidavit are true to the best of our knowledge.

Employee and Domestic Partner’s Address _____

 Employee Signature Date

 Employee Date of Birth Employee SSN

 Domestic Partner Signature Date

 Domestic Partner Date of Birth Domestic Partner SSN

| BENEFITS STAFF USE ONLY | | |
|---|------------------------------|-----------------------------|
| GIR Name: _____ | | Date: _____ |
| <input type="checkbox"/> Birth Certificate attached Or <input type="checkbox"/> Driver’s License/State ID attached | | |
| Documentation Meets Requirements | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| If documentation does not meet requirements, indicate reason on lines below: _____ _____ | | |
| GID Signature: _____ | | Approval Date: _____ |

**State of Illinois
Group Insurance Program
Domestic Partner Enrollment Form**

Employee Information (please print):

Name: _____ SSN: _____ Date Partnership Began: _____

Domestic Partner's Information:

Name: _____ SSN: _____ Date of Birth: _____

Other Coverage:

Is the Domestic Partner covered by any other health insurance? Yes No

If yes, name of Insurance Company: _____ Insurance Company Policy Number _____

Is the Domestic Partner currently covered under a State of Illinois medical plan? Yes No

Medicare Information:

Is the Domestic Partner receiving Medicare? Yes No (if yes, a copy of the Domestic Partner's Medicare card must be provided to your agency GIR)

If yes, check one: Part A Eff. Date: _____ Part B Eff. Date: _____
 Part A & B Eff. Date: _____ Part D Eff. Date: _____

On what is the Domestic Partner's Medicare eligibility based? Age Disability End Stage Renal Disease

IRS Dependent Tax Status:

Please consult a tax advisor before you certify that the Domestic Partner is a dependent as defined by the Internal Revenue Code. If your answer is YES, you will not be taxed on imputed income for the Domestic Partner's premiums paid by the State of Illinois and contributions made for the Domestic Partner's coverage will be on a pre-tax basis.

Please check one:

No, my Domestic Partner does not qualify as my dependent for Federal income tax purposes.

Yes, my Domestic Partner qualifies as my dependent for Federal income tax purposes (member must provide a copy of the most recent year's tax statement indicating the domestic partner as a dependent with this enrollment form).

Employee Signature: _____ Date: _____ Reason for Enrollment: Benefit Choice
Qualifying Change in Status _____
GIR Signature: _____ Date: _____ Agency Org Proc Code: _____

GROUP INSURANCE DIVISION USE ONLY

GID Signature: _____ Date: _____ Relationship Code: _____
Effective Date: _____

State of Illinois
Group Insurance Program
**Termination of Group Insurance Coverage for
Domestic Partner**

Termination of Domestic Partnership Affidavit

I, _____, submit this Termination of Domestic
(Employee)

Partnership Affidavit in order to terminate the Domestic Partnership Affidavit previously filed
with respect to _____.
(Domestic Partner)

I understand that the effect of filing this Termination of Domestic Partnership Affidavit is that my
Domestic Partner will no longer be covered under the State of Illinois Employees Group
Insurance Program and that the termination will be effective the date of the request.

Signature: _____ Date: _____

**Termination of Domestic Partner's
Group Insurance Coverage**

I wish to terminate my Domestic Partner's enrollment in the State of Illinois Employees Group
Insurance Program due to my Domestic Partner (check one):

- Becoming eligible for other group insurance coverage on _____.
- Getting married on _____.
- Death that occurred on _____.
- Other – Please specify reason: _____
_____.

I understand that the effect of filing this Termination of Domestic Partner's Group Insurance
Coverage is that my Domestic Partner will no longer be covered under the State of Illinois
Employees Group Insurance Program and that the termination will be effective the date of the
event.

Signature: _____ Date: _____

BENEFITS STAFF USE ONLY

GIR Name: _____ Date: _____

Effective Date of Termination: _____ Termination Code: _____