



**PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION (PASSHE)
INFORMATION REGARDING SAME-SEX DOMESTIC PARTNER BENEFITS
FOR FACULTY, NON-FACULTY COACHES AND MANAGERS**

The agreements between APSCUF and PASSHE provide for benefits to Same-Sex Domestic Partners (hereinafter referred to as Domestic Partners) of PASSHE faculty and coaches. The Board of Governors also extended the same benefits to PASSHE managers. Domestic Partners and their children identified on a *PASSHE Same-Sex Domestic Partnership Certification* who are determined to be eligible may receive Employee Health Care Program, Management Benefits Program and Tuition Waiver benefits effective July 1, 2007 for faculty and coaches and November 1, 2007 for managers. Employees also may receive Sick Family Leave, Sick Bereavement Leave and Family Care Leave for their Domestic Partner and/or the children of their Domestic Partner. Please refer to *Guidelines for Domestic Partnership Leave Benefits*.

The value of these Domestic Partner benefits may be taxable to the employee under federal law; please refer to the Taxation of Benefits section on page 2.

Eligibility Requirements for Same-Sex Domestic Partners

To qualify for benefits listed above, an employee and partner must meet the following criteria and provide a completed *PASSHE Same-Sex Domestic Partnership Certification*. This notarized certification is to be maintained in the employee's official personnel file.

1. Each partner is the same gender.
2. Neither partner is married to anyone else.
3. Both partners are at least 18 years old and mentally competent to enter into a contract in the Commonwealth of Pennsylvania.
4. Partners are the sole Domestic Partner of the other person.
5. Partners have lived together in the same residence on a continuous basis for at least six months immediately prior to the date of the notarized statement, with the intent to reside together permanently.
6. Partners are not related to each other by adoption or by blood, to a degree that would prohibit marriage in the Commonwealth of Pennsylvania.
7. Neither partner has been a member of another Domestic Partnership for the past six months (unless the prior Domestic Partnership ended as a result of the death or marriage of one of the Domestic Partners).
8. Partners are jointly responsible for the common welfare and financial obligations of each other.

Eligibility Requirements for Children of a Same-Sex Domestic Partner

Employee Health Care Program and Management Benefits Program

The unmarried biological or legally adopted child (including a child during the probation period) or a child for whom the Domestic Partner is the legal guardian is eligible if the child meets the benefits program age requirements and:

- is a legal dependent of the Domestic Partner; and
- is a member of the household of the employee or, maintains the employee's home as a primary residence while living away from home in order to be a full-time student; and
- is a child for whom the employee has assumed financial responsibility.

Tuition Waiver

The biological or legally adopted child or a child for whom the Domestic Partner is the legal guardian is eligible provided the child meets the other requirements of the tuition waiver plan. Please refer to the additional eligibility provisions of the applicable tuition waiver plan.

Same-Sex Domestic Partner Registration

To initiate Domestic Partner benefits, an employee must certify the Same-Sex Domestic Partnership as follows:

1. Obtain from university human resources office or PASSHE website a *PASSHE Same-Sex Domestic Partnership Certification*.
2. Complete the certification and have it notarized.
3. Submit certification to the university human resources office.

Benefit Plan Enrollment

Employee Health Care Program and Management Benefits Program

Employee Health Care Program and Management Benefits Program enrollment must occur within 60 calendar days of the notarization date on the *PASSHE Same-Sex Domestic Partnership Certification* or within 60 days of a qualifying life event, if applicable; otherwise, enrollment cannot occur until the next open enrollment period. Examples of a qualifying life event could be adoption or legal guardianship of a child or a change in employment status, such as termination or the start of employment.

Tuition Waiver

Please refer to the enrollment provisions of the applicable tuition waiver plan.

Taxation of Benefits for Same-Sex Domestic Partners

Employee Health Care Program and Management Benefits Program

Under federal tax laws, only certain dependents of an employee may receive employer-provided health coverage on a tax-free basis. For example, an employee's opposite-sex spouse may receive health coverage tax-free. Different tax rules apply to same-sex Domestic Partners. Under those rules, health coverage provided to an employee's Domestic Partner (and to the Domestic Partner's children) will typically result in wage income being imputed to the employee.

Both the university and employee costs of providing Domestic Partner benefits are treated as taxable income to the employee if the Domestic Partner and/or Partner's children is/are not qualified as dependents under federal tax regulations. For this reason, the fair market value of providing Domestic Partner benefits will be added to the employee's biweekly pay as additional taxable income for federal tax as well as for Social Security, Medicare and unemployment taxes. Also, the employee's health program contribution attributable to Domestic Partner benefits will be an after-tax deduction.

This additional taxable income can be excluded if the employee is eligible to claim the Domestic Partner and/or Partner's children as tax qualified dependents under the applicable requirements of Internal Revenue Code Section 152 (which defines the term "dependent" for various tax purposes). An employee who files a certification stating that the Domestic Partner and/or Partner's children is/are eligible to receive health coverage tax-free under the applicable IRS requirements will not be taxed on the value of the health coverage provided the tax-qualified status continues for the entire calendar year. Employees must report any changes in the tax-qualified status of the Domestic Partner and/or Partner's children to the University human resource office on a timely basis. To continue the tax-qualified status, the employee must file a new certification by February 15 of every calendar year. If such legal tax dependency is not certified by the required deadline, the fair market value of Domestic Partner benefits will be added to the employee's taxable income for that calendar year.

As indicated above, the impact of Domestic Partner benefits on an employee's taxable income will be determined by the tax qualified status of the Domestic Partner and the Domestic Partner's children. Since employees must certify as to the nature of this tax qualified status, it is recommended that employees consult with a qualified tax professional for guidance.

Tuition Waiver

Under federal tax laws, the value of all tuition waiver benefits provided to Domestic Partners and/or children of Domestic Partners is taxable to the employee. Therefore, the cost of tuition waived will be added to the employee's biweekly pay as additional taxable income for federal tax as well as for Social Security, Medicare and unemployment taxes. For retired employees, this value will be reported on Form 1099.

Termination of a Same-Sex Domestic Partnership

The employee must notify the university human resources office in writing within 30 days of the dissolution of a certified Same-Sex Domestic Partnership by completing a *Termination of Same-Sex Domestic Partnership* form. Benefit plan eligibility for the Domestic Partner and children of the Partner ends on the last day of the month in which the partnership ended. Failure to notify the university may result in liability for benefits provided to ineligible Domestic Partner and/or dependents.