

Domestic Partner Guide

Summary

Domestic Partners are persons who are in a long-term, committed relationship, have been in the relationship for at least six months, can provide satisfactory documentation showing they live together and are financially interdependent, and meet the criteria outlined in the Affidavit of Domestic Partnership. Domestic Partners can be of the same or opposite gender.

Persons who live together for economic reasons, but who have not made a commitment to an exclusive domestic partnership are not eligible for domestic partner benefits. Corporate Human Resources is responsible for making the final determination as to whether the documentation submitted is acceptable and approving the application.

Please read this document in its entirety, as it contains important information on Domestic Partner eligibility criteria, supporting documentation requirements, benefits plans, tax information*, and enrollment instructions.

****The information contained in this Guide is not intended as legal or tax advice and should not be relied upon as such.***

Applicability

- 1) Full-time Permanent or Provisional employees who are in active status or on an approved leave of absence.
- 2) Domestic Partner's covered under a NYPA medical plan at time of employees' retirement as follows:
 - a. Management employees that retired after March 30, 1999
 - b. IBEW employees that retired after May 20, 2015
 - c. UWUA employees that retired after September 23, 2016
- 3) Domestic partner benefits are **not** available to surviving spouses.

Income Tax Implications

An employee's taxable income associated with enrolling a domestic partner and/or the partner's child(ren) in an employer sponsored health care plan may be **considerable**. This document is not to be considered as providing any specific legal or tax advice and, therefore, employees considering domestic partner benefits are advised to consult their tax advisor.

Imputed Income

Under IRS rules, if a domestic partner is not a "dependent" within the meaning of Section 152 of the Internal Revenue Code (IRC), the "fair market value" of the partner's benefits coverage, less any contribution made by the employee, is treated as income for federal tax purposes. The fair market value, referred to as "imputed income", will be added to your annual salary for income tax purposes and apply even if you cover other dependents in addition to your partner. If your partner qualifies as a dependent under IRC 152, there is no imputed income. If you qualify under this section, you must complete a Dependent Tax Affidavit and submit it with your other enrollment documents. If your domestic partner's tax status changes during the year, no retroactive changes will be made to imputed income. It is your responsibility to amend your tax return to correct taxable income. If you have questions regarding your eligibility under Section 152, please contact your tax advisor.

Domestic Partner Questions and Answers

1. Who qualifies as a Domestic Partner of a NYPA employee?

NYPA defines a domestic partnership as the relationship between two unmarried people of the same or opposite gender who meets all the following criteria:

- We are each 18 years of age or older.
- We are not related in a manner that would bar marriage in New York State.
- I am not legally married to anyone else. Legal separation does not constitute a termination of marriage.
- My Domestic Partner is not legally married to anyone else. Legal separation does not constitute a termination of marriage.
- We have shared the same residence for at least the last six months.
- We have had an exclusive mutual commitment to share responsibility for each other's welfare and financial obligations for at least the last six months and we expect that commitment to last indefinitely.

2. When can an employee enroll a Domestic Partner?

Employees may apply for Domestic Partner coverage as follows:

- New employees may enroll their Domestic Partner at the time of employment if they meet the domestic partner eligibility criteria. Benefits coverage for a Domestic Partner will not be available any sooner than an employee's coverage.
- Employees choosing not to enroll their Domestic Partner when first eligible may enroll them during the annual open enrollment period, coverage to be effective January 1 of the following year.
- Current employees may enroll a Domestic Partner at the point they and their partner first meet the eligibility criteria (6 months of financial interdependence). The required notification (a Change of Status form and supporting proof) must be submitted to Human Resources within the 30-day period beginning when the employee and partner first meet the eligibility criteria. Domestic Partner benefits will be effective as of the date the employee and Domestic Partner meet the eligibility criteria and supporting proof has been supplied. Failure to notify Human Resources within the first 30 days of eligibility will mean the employee must wait until the next open enrollment period to enroll his/her domestic partner for benefits.
- If the Domestic Partner has met the criteria above and experiences a qualifying event, an employee may enroll his/her Domestic Partner and/or the partner's child(ren) at that time. Documents supporting the qualifying event and a change form must be submitted within 30 days of the event.

3. What documentation is required to prove a Domestic Partnership?

Proof of Joint Responsibility for Basic Financial Obligations.

You must submit two forms of proof from the list below. One of these proofs must be at least six months old on the date you submit this form. The second proof from this list must be dated within six months of the date you submit this form and must be a different form of proof than the older proof submitted. For example, if you provide a statement from your joint bank account as your first form of proof, you may not provide a more recent statement from the same bank account as a second form of proof.

Acceptable proofs are as follows:

- Joint mortgage or lease agreement
- Joint ownership of residence
- Joint wills or designation of the Domestic Partner as executor and/or primary beneficiary
- Designation of the Domestic Partner as beneficiary for life insurance or retirement benefits
- Designation of the Domestic Partner as durable power of attorney
- Health Care Power of Attorney
- Joint obligation on a loan (may submit a creditor's affidavit for a personal loan)
- Joint ownership of a brokerage investment account
- Joint insurance policy (homeowners' or renters' policy)
- Joint ownership or lease of a motor vehicle
- Joint financial responsibility for childcare (e.g., school tuition, guardianship)
- Joint household budget for the purpose of receiving government benefits
- Status as an authorized signatory on the partner's bank account, credit card or charge card
- Designation of one partner as the representative payee for the other's government benefit
- Joint bank, joint credit card or joint charge card account statements, or letters from the financial institution confirming effective date

NOTE: Proofs such as a motor vehicle insurance policy listing the Domestic Partner as a driver or a phone bill listing the Domestic Partner as a user are not acceptable.

Proof of Cohabitation.

You must submit at least one form of proof from the list below to prove that you and your Domestic Partner reside together. All documents submitted for proof of cohabitation must be at least six months old as of the date you submit this form. This proof may be one document on which both names appear, or two separate documents that specify each partner's residential address. Your proofs must contain a residential address. A P.O. Box is not an acceptable proof.

Acceptable proofs are as follows:

- Bank statement mailed to residential address
- Pay-check stub
- Driver's license or automobile registration showing residential address
- Insurance benefits statement mailed to residential address
- Joint membership statement mailed to residential address (e.g., church, or other organization)
- Joint mortgage or lease agreement
- Joint ownership of residence
- Tax return listing residential address
- Telephone/Utility bill mailed to residential address
- Registration as a domestic partnership in a New York State municipality that has established such a procedure

NOTE: Dependent Life and AFLAC Cancer and Accident Expense Plans require a notarized affidavit from your local county/city with a Certificate of Domestic Partnership.

4. How is a Domestic Partner enrolled for benefits coverage?

Employees must submit the Affidavit of Domestic Partnership, along with supporting documentation to their local Human Resources office for review. The documentation will be forwarded to Corporate Human Resources for approval. Corporate Human Resources will advise employees in writing when their Affidavit of Domestic Partnership is approved, along with the cost of the coverage.

5. What benefits are available for Domestic Partners and their children?

The following benefits may apply to an employee's Domestic Partner and/or the partner's child(ren): The requirements to add a dependent are the same as for dependents of any other employee.

Plans	Group
Medical & Dental Plans	Management, IBEW, UWUA
Optional Vision Plan	Management
AFLAC Cancer & Accident Expense Plans	Management, IBEW, UWUA
Group Legal, Dependent Life, AD&D	Management

6. Can an employee make changes to Domestic Partner coverage mid-year?

Benefit plan options and coverage levels elected at enrollment will remain in effect through the end of the plan year. Certain limited changes are allowed if an employee experiences a **qualified status** change during the year. A change in status that causes your Domestic Partner or their dependent child(ren) to gain or lose eligibility for coverage includes changes in:

- **Number of dependent children** - change in number of domestic partner's dependent children (birth, adoption, death). This will apply only if the Domestic Family option is already in place.
- **Unmarried dependent's status** - over the age of eligible coverage, gain or loss of student status.
- **Loss of or the termination of a domestic partnership** – no longer residing in same residence or satisfy the eligibility requirements, or death of domestic partner.

Employees must complete a Change of Status form to notify their local Human Resources office within 30 days of the status change if they wish to make a change in coverage. (See question 13 below for employees' responsibility if a domestic partnership ends.) An election may be altered during the year and replaced with a new election only when the coverage relative to that change is consistent with the "change in status." That is, the two have to be directly related – something referred to as the consistency rule.

7. How will flex credits be calculated? (Management only)

IRS regulations do not allow Domestic Partner coverage to be provided under a flexible benefit plan or purchased with pre-tax flexible credits. Employees with a Domestic Partner will receive individual flex credits. Employees with eligible dependents (other than a Domestic Partner) will receive family flex credits.

8. Are there any tax consequences if I cover my domestic partner?

The fair market value of the health insurance benefits is treated as income for tax purposes whether or not your Domestic Partner qualifies as a dependent under the IRS rules. The employee's extra cost for domestic partner coverage cannot be paid with pre-tax dollars. Ask your tax consultant how enrolling your domestic partner will affect your taxes.

9. How does NYPA determine the value of domestic partner coverage under a NYPA health benefits plan?

For income tax purposes, the taxable value (**imputed income**) of Domestic Partner coverage depends on the benefit plan in which the employee is enrolled. The imputed income for Domestic Partner coverage will be included in an employee's paycheck over 26 pay periods. This imputed income is equal to the full cost of single coverage, if a Domestic Partner only is covered, or the full cost of family coverage if the dependents of a Domestic Partner are covered, minus your after-tax payroll deductions, if any. The total income imputed in a year will be included as income in the W-2 which NYPA issues after the year ends. In addition, the imputed income for the Domestic Partner coverage will not count for purposes of the Tax Deferred Savings Plans (401(k) plan, 457 plan), the Retirement Plan or any other NYPA benefit plan which calculates benefits on the basis of some portion of compensation.

10. Will there be tax on the claim reimbursements a Domestic Partner receives from the benefit plans in which the Domestic Partner is enrolled?

No, these reimbursements are not taxed.

11. How should claims for eligible expenses incurred by Domestic Partners be submitted? Claims for Domestic Partners should be submitted in the same way that spouse/dependent claims are submitted.

12. Are Domestic Partner or Domestic Partner Children's claims eligible for reimbursement under a Flexible Spending Account (FSA)?

No. The IRS regulations do not allow you to receive pre-tax benefits for domestic partners/domestic partner children. Our medical and dental providers automatically rollover claims to our FSA administrator. Therefore, you will need to discontinue the automatic rollover of claims to your FSA account at www.myuhc.com > Account/Profile>Account Settings>Automatic FSA/HRA Payment Options and select Discontinue. In addition, the FSA Debit Card cannot be used to pay for domestic partner/domestic partner children's healthcare expenses.

13. How should employees notify NYPA if a Domestic Partner dies or if a domestic partnership ends?

Employees must submit an Affidavit of Termination of Domestic Partnership to their local Human Resources office within 30 days of the event. The Domestic Partner and any affected children may be eligible to continue coverage under COBRA. If the Domestic Partner is still living, the employee is responsible for providing his/her Domestic Partner with a copy of the "Affidavit of Termination of Domestic Partnership". Eligibility for a Domestic Partner will cease upon death or on the last day of the month in which the partnership ends.

14. After one Domestic Partnership ends, is there a waiting period before another Domestic Partner can be enrolled for benefits?

A new Domestic Partnership must meet the eligibility/enrollment requirements listed in questions 1 – 3 above.

15. Will continuation of coverage be available to my domestic partner if the partnership is terminated?

Yes, although not legally required to do so, NYPA has decided to make continuation of coverage for the medical, dental and vision plans (as applicable) plan they are enrolled in for a limited time through COBRA. Premiums are based on the full cost of the plan with a 2% administration fee. You or your former Domestic Partner must notify Human Resources within 30 days from the day on which the Domestic Partnership terminated and submit an Affidavit of Termination of Domestic Partner. The former Domestic Partner would then have an additional 60 days

to elect continuation coverage through COBRA otherwise the opportunity for your former Domestic Partner to purchase continuation coverage will be lost.

16. Will continuation coverage be available to the children of a Domestic Partner when they cease to meet the eligible family member criteria?

Yes, COBRA continuation coverage will be available when the children no longer meet the NYPA eligibility criteria.

17. Can Domestic Partner coverage be continued into retirement?

As stated in the Applicability section, NYPA will extend domestic partner benefits to retiring employees as long as the employee has satisfied the following requirements at time of retirement:

- Has been in a domestic partnership with the same domestic partner for the specified timeframe listed in this policy;
- Meets all criteria listed in this policy;
- Elects domestic partner coverage at time of retirement.

If these requirements are met, NYPA will extend retiree medical plan coverage to the employee's approved domestic partner at the time of the employee's retirement. The retiree will receive an annual IRS Misc. 1099 form to cover the "imputed or fair market value" of the medical plan benefits for the domestic partner. If the retiree dies, NYPA will continue coverage for the domestic partner, until such time as the domestic partner cancels coverage, is married, or enters into another domestic partnership. The domestic partner cannot at any time add dependents to their coverage. The domestic partner will receive the annual IRS Misc. 1099 form to cover the "imputed or fair market value" of the health insurance benefits.

Total Rewards



The retiree can end coverage for the domestic partner at any time, by submitting an Affidavit of Termination of Domestic Partnership in writing. Once coverage for the domestic partner is cancelled, the retiree cannot cover any future domestic partners.

How To Apply

Submit the following items to your site HR Representative or Benefits Team at MyHR+

- Change In Status Form
- Domestic Partner Affidavit, with supporting documentation as noted on the form.
- Copy of your Domestic Partner's Birth Certificate.
- Your Domestic Partner's Social Security Number.
- Copy of your Domestic Partner's child's Birth Certificate (if applicable)
- Your Domestic Partner's child's Social Security Number (if applicable)

All required documentation must be submitted within 30 days of the Qualifying Event, or by the last day of Open Enrollment or the enrollment will not be accepted.

Affidavit of Domestic Partnership

Personal & Confidential

State of _____) S.S. :

County of _____)

Please complete both pages of this Affidavit, have the Affidavit notarized, and return the Affidavit to your Human Resource Representative.

A. Declaration of Domestic Partnership

The undersigned being duly sworn hereby declare the following statements to be true to the best of their knowledge and be able to provide the required documentation, as stated in the ***Domestic Partner Guide***, in order for your Domestic Partner to qualify for coverage with NYPA.

- We are each 18 years of age or older.
- We are not related in a manner that would bar marriage in New York State.
- I am not legally married to anyone else. Legal separation does not constitute a termination of marriage.
- My Domestic Partner is not legally married to anyone else. Legal separation does not constitute a termination of marriage.
- We have shared the same residence for at least the last six months.
- We have had an exclusive mutual commitment to share responsibility for each other's welfare and financial obligations for at least the last six months and we expect that commitment to last indefinitely.

Print Name (NYPA Employee)

Print Name (Partner)

Street Address

Street Address

City, State, Zip Code

City, State, Zip Code

Signature

Signature

Affidavit of Domestic Partnership

Personal & Confidential

B. Understandings

I, _____ (NYPA employee), understand as follows:

1. I understand that there might be tax consequences to adding a domestic partner to my health coverage. Specifically, I understand that the value of the coverage received by my domestic partner might represent taxable income to me, and if so, I will be fully responsible for all taxes due.
2. I understand that my domestic partner is entitled to health coverage only while we meet the criteria specified in Part A and I agree to notify my Human Resource representative within 30 days in the event there is a change in our status that would cause us not to satisfy those criteria.
3. I understand that the declarations in Part A above, "Declaration of Domestic Partnership", might give rise to other financial obligations in a court of law, and I agree to hold NYPA harmless should such obligations arise. In addition, I will be responsible for any costs of representation by NYPA.
4. I understand that falsification of any of the above information might result in disciplinary action, up to and including termination of my employment with NYPA, loss of plan coverage, civil legal action for losses including attorney fees, and/or criminal prosecution, if applicable.

Signature of NYPA Employee

Date:

On this _____ day of _____ in the year _____ appeared _____ and _____ . Known to me to be the persons whose names are subscribed to this document. (Signature and Seal of Notary Public)

Signature: _____

Title or Office: _____

My commission expires:

Affidavit of Domestic Partnership Notice

1. Some courts may interpret the affidavit of domestic partnership as creating (or evidencing the creation of) legally enforceable rights and obligations between the two attesting parties. These may include, for example community property rights and/or obligations to make support payments. They may include rights and obligations that apply during the period of domestic partnership, and/or rights and obligations that apply after a termination of the domestic partnership.
2. Enrollment of a domestic partner as one's beneficiary under a benefit plan and/or payment of benefits by the plan with respect to said beneficiary may give rise to tax liabilities on the part of the plan participant and/or a surviving domestic partner. It may also result in tax withholding and/or income reporting by NYPA or its delegate. Consequences may vary from case to case - depending for example on which laws apply and/or on whether the domestic partner is a "dependent" of the plan participant/subscriber under applicable law.
3. NYPA and its benefit plans may rely on this affidavit of domestic partnership signed by two parties. and/or on an affidavit of termination of domestic partnership signed by either party in determining eligibility for plan coverage and in deciding whether or not to pay/provide benefits. If it is determined by NYPA or the plan, that the plan's criteria defining eligible domestic partners are no longer met, eligibility for coverage under an NYPA benefits plan as a domestic partner will end as specified in the applicable provisions of the plan.
4. By enrolling in or accepting domestic partner coverage under the NYPA benefit plan, or applying for, assigning, or accepting payment of domestic partner benefits under such a plan (either as plan participant subscriber or as a domestic partner of a plan participant/subscriber) you represent to the plan that the assertions made by you in this affidavit of domestic partnership, are true and you obligate yourself to:
 - a. personally retain one of the signed and notarized originals of this affidavit of domestic partnership; and promptly produce it for inspection by or on behalf of the Plan Administrator, if and when requested to do so;
 - b. within thirty (30) days after any change in circumstance which makes a statement in the affidavit of domestic partnership no longer accurate, (for example, the death of the other person named in such affidavit), execute, and send to the Plan Administrator an affidavit of termination domestic partnership, attesting to the change in circumstance and the date the change occurred, and affirming your mailing of a copy to the other person if still living.
5. Knowingly providing false, deceptive, or misleading information to a benefit plan or deceptive or misleading omission of information to NYPA or a benefit plan may result in discipline up to termination of employment, loss of plan coverage, civil litigation, and/or criminal prosecution.
6. NYPA reserves the right, at its discretion, to amend, change, or terminate any of its benefit plans, programs, practices, or policies, at any time, as the NYPA requires.