Policy Manual

SCOPE:

This policy applies to the University of Richmond Employees and all of its Affiliates. As used in this policy, the term “Employees” refers to staff and faculty; “Affiliates” means organizations or entities in which the University owns a controlling interest or has the right to elect the majority of the entity’s governing board.

INDEX:

HRM-1003.1.....Policy

POLICY STATEMENT:

HRM-1003.1 – Policy

The University of Richmond provides benefits to the same-sex domestic partner of a regular full-time faculty or staff member that are similar (though not identical) to the benefits extended to the legally married opposite-sex or same-sex spouse of an employee. The benefit package is presently constrained under federal and state laws regarding tax implications of benefits provided to a same-sex domestic partner. Benefits may only be provided to same-sex domestic partners who meet the eligibility requirements as set forth below, as well as any requirements contained in the policies, contracts, or booklets for each particular benefit. Unmarried opposite-sex domestic partners of University employees are not eligible for the benefits outlined in this policy.

Legally Married Same-Sex Spouses

All same-sex marriages will be recognized for federal tax purposes if they are entered into under the laws of any U.S. state or foreign jurisdiction having the legal authority to sanction marriages, even if the couple resides in a state that does not recognize the validity of same-sex marriages. Please see the “Dependent
Eligibility” section of the University of Richmond Employee Welfare Benefits Plan (“Plan”) for more information regarding legally married same-sex spouses.

Eligibility Requirements
In order for a domestic partner to be eligible for health, dental, and/or vision benefits, the employee and domestic partner must meet all of the following criteria:

- The employee and the domestic partner consider each other to be life partners.
- The employee and the domestic partner are of the same sex.
- Both the employee and the domestic partner are at least 18 years of age and mentally competent to enter into a contract in the state in which residency is established.
- Neither the employee nor the domestic partner is married to another individual.
- The employee and the domestic partner are each other's sole domestic partner and intend to continue as such indefinitely. The employee and the domestic partner are not blood relatives to a degree that would prohibit marriage under the laws of the state of residency.
- The employee and the domestic partner have: (i) shared a common household for at least six months immediately prior to the date of enrollment and intend to do so indefinitely, (ii) entered into a civil union or domestic partnership recognized by the state in which they reside, OR (iii) entered into a religious union recognized by their religious organization.
- The employee and the domestic partner are financially interdependent, share common necessities of life, and are jointly responsible for the common welfare and shared financial obligations of each other.

In addition, the employee must complete a Declaration of Tax Status form indicating whether his or her domestic partner is or is not eligible for tax-favored coverage.

Termination of Domestic Partnership
The University’s Human Resource Department must be made aware of any change in domestic partner status. An individual’s status as an employee’s domestic partner under this policy will terminate upon receipt by the Human Resources Department of the Declaration of Termination of Domestic Partnership or Voluntary Disenrollment of Domestic Partner. The completed Declaration of Termination of Domestic Partnership or Voluntary Disenrollment of Domestic Partner must be provided within thirty-one (31) days of the date any of the above criteria ceases to be satisfied or the death of a domestic partner.

Benefits Extended to Same-Sex Domestic Partners
- Health, Dental, and Vision Coverage
- Retiree Medical Benefits
- Flexible Spending Accounts / Health Saving Account (but only if the same-sex domestic partner is the employee’s federal tax dependent for health coverage purposes)
- Dependent Flexible Spending Account (but only if the same-sex domestic partner’s child is the employee’s “qualifying child” or “qualifying relative” for this purpose)
- Tuition Benefits
- Leave Benefits

University of Richmond | 2
• Library and Recreational Facility Privileges
• Employee Assistance Program (EAP)

Health, Dental, and Vision Coverage
The University offers health insurance coverage as well as optional dental and vision plans. In order for the domestic partner to be covered under the health, dental, or vision plan, the employee must be a participant in the plan.

Retiree Medical Benefits
In order for the domestic partner to be covered under the Post-Retirement Medical Benefits Program, they must have been covered at the time of the employee’s retirement.

Health Coverage for Children/Dependents
Children of all University full-time employees may be covered as dependents under the University’s health, dental, and vision plans and children of an employee’s domestic partner are also eligible for coverage. Please see the Plan for eligibility criteria. Please see below for the tax implications of covering a domestic partner’s child under University benefits.

Tax Consequences of Health Coverage for Domestic Partners & Children of Domestic Partners
The employee’s share of premiums for health, dental and/or vision coverage provided to a domestic partner and/or a domestic partner’s child will be deducted from the employee’s paycheck on either a bi-weekly or monthly basis, depending on the employee’s pay cycle. Under current federal and Virginia state law, including the Internal Revenue Code, unless the domestic partner and/or the domestic partner’s child (including an adopted or foster child) meets certain requirements and may be treated as the employee’s tax dependent for health coverage purposes (see “Code Section 152 Dependents” below), deductions for benefits for the domestic partner and/or domestic partner’s child must be made on an after-tax basis.

If the domestic partner and/or the domestic partner’s child receiving health, dental, and/or vision benefits is not the employee’s tax dependent for health coverage purposes, current tax law requires that the employee include in gross income the fair market value of the domestic partner’s and/or the domestic partner’s child’s health coverage, less the amount of premiums paid by the employee on an after-tax basis. In other words, the employee will be taxed on the value of the health, dental, and/or vision coverage provided by the University for the domestic partner and/or the domestic partner’s child, less any premiums paid by the employee for such coverage on an after-tax basis.

Finally, unless the domestic partner and/or the domestic partner’s child qualifies as the employee’s tax dependent for health coverage purposes, the fair market value of the domestic partner's and/or the domestic partner's child's coverage will be considered wages for Federal Insurance Contributions Act ("FICA") purposes. Accordingly, the employee will have to pay FICA tax on the value of the coverage, less any premiums paid by the employee.

Any federal or state tax consequences of providing health coverage to domestic partners and/or domestic partner children under this policy are the sole responsibility of the employee and domestic partner.
**Code Section 152 Dependents**
To qualify as a Code Section 152 tax dependent for health coverage purposes, in general the domestic partner and/or the domestic partner’s child must: (1) receive more than half of his or her total support for the relevant calendar year from the employee, (2) be a member of the employee’s household during the entire calendar year, (3) have the same principal place of residence as the employee for the entire calendar year, (4) not be anyone’s “qualifying child” (as defined in Code Section 152(c)), and (5) be a U.S. citizen, a U.S. national, or a resident of the U.S., Canada, or Mexico. In addition, the Code requires that the relationship between the employee and the dependent may not violate local laws. A domestic partner’s child may be a Code Section 152 tax dependent by meeting other requirements. Please contact your tax advisor for guidance.

When an employee adds a domestic partner and/or a domestic partner’s child to the health, dental, and/or vision plans the employee will be required to complete a Declaration of Tax Status form. This form will inform the University of the proper tax treatment for the domestic partner and/or domestic partner’s child coverage by having the employee indicate whether his or her domestic partner and/or domestic partner’s child qualifies as a tax dependent under Code Section 152 for health coverage purposes. If they do qualify as tax dependents for health coverage purposes, then the value of the coverage provided will not be included in the employee’s taxable income and will not be subject to FICA taxes. In addition, the employee’s share of premiums for health, dental and/or vision coverage may be deducted from the employee’s pay on a pre-tax basis. If the domestic partner and/or domestic partner’s child does not qualify as a tax dependent for health coverage purposes, then the employee will be required to pay the taxes as described above.

The certification described above must be provided annually to the University.

**Continuation Rights**
In accordance with current IRS regulations, federal health coverage continuation rights under COBRA are not available and will not apply to the domestic partner and/or the domestic partner’s child. Nevertheless, the University will extend COBRA-like rights to domestic partners and children of domestic partners under the Plan’s health and dental benefits.

**Health Care Flexible Spending Account & Health Savings Account**
Eligibility to make contributions to the Health Care Flexible Spending Account and Health Savings Account is limited to full-time University employees. Neither spouses nor domestic partners are eligible to contribute.

Under current federal tax law, medical expenses incurred by or on behalf of a domestic partner and/or the domestic partner’s child who is not a tax dependent of the employee for health coverage purposes (or, with respect to a domestic partner’s child, not the employee’s adopted or foster child) are not eligible for reimbursement under the Health Care Flexible Spending Account program or the Health Savings Account. On the other hand, medical expenses incurred by or on behalf of an employee’s domestic partner and/or domestic partner’s child who qualify as a tax dependent may be reimbursable under terms of the Health Care Flexible Spending Account program or the Health Saving Account.

**Dependent Care Flexible Spending Account**
Eligibility to make contributions to the Dependent Care Flexible Spending Account is limited to full-time University employees. Neither spouses nor domestic partners are eligible to contribute.
Under current federal tax law, expenses paid or incurred to care for a domestic partner’s child do not qualify for reimbursement under the Dependent Care Flexible Spending Account unless the child is a “qualifying child” or “qualifying relative” for this purpose. Please see the Dependent Care FSA eligibility rules in the Plan for more information.

**Tuition Benefits**
The domestic partner of a full-time employee will be able to participate in the University’s tuition benefit program in the same manner as the spouses of other full-time employees. Children of a domestic partner are eligible for the educational grant program under the standard criteria established for this program in the same manner as the children of full-time employees.

IRS regulations require that the fair market value of tuition benefits extended to domestic partners be treated as taxable income to the employees. Similarly, the fair market value of tuition benefits extended to children of domestic partners who are not the employees’ children by birth, adoption, or foster relationship, or the employees’ step-children, will be treated as taxable income to the employees.

**Leave Benefit**
The University will extend its bereavement leave, family and medical leave, and sick leave policies to include domestic partners and their children. For further information regarding the potential application of any of the leave benefits, please contact Human Resources.

**Library and Recreational Facility Privileges**
Library and recreational facility privileges will be extended to domestic partners as well as their children.

**Employee Assistance Program**
The Employee Assistance Program (EAP) will be available to domestic partners and their children.

The above policy provides a general description of the benefit programs that are currently offered to eligible, same-sex domestic partners of University employees. Where benefits are governed by a formal plan document or a matter of policy, the exact terms of the plan or policy will govern. While it is presently the University’s intent to continue all current benefit plans and policies, the University reserves the right to change, supplement, amend, or terminate at any time any benefit plan or policy presently in effect.

**RELATED POLICIES:**

**POLICY BACKGROUND:**
Original policy in existence prior to 2007
Updated in 2014

**POLICY CONTACTS:**
Executive Vice President & Chief Operating Officer
Senior Assoc. Vice President of Human Resources