

FREDERICK COUNTY PUBLIC SCHOOLS

DOMESTIC PARTNER BENEFITS

Frederick County Public Schools is offering same-sex domestic partners and their eligible dependents the opportunity to enroll in the school system's insurance programs effective October 1, 2010. Benefits provided to an employee's same-sex domestic partner or the partner's eligible dependents are equivalent to those available for an employee's spouse or spouse's eligible dependents. This coverage is available to qualified same-sex domestic partners of both covered active and retired plan participants.

WHAT ARE THE REQUIREMENTS FOR DOMESTIC PARTNERSHIP?

To establish a same-sex domestic partnership, you and your partner must satisfy **ALL** of the following requirements:

1. Are of the same sex.
2. Share a close personal relationship and be responsible for each other's welfare.
3. Have shared the same legal residence for at least 12 months.
4. Are at least 18 years old.
5. Have voluntarily consented to the relationship, without fraud or duress.
6. Are not married to, or in a same-sex domestic partnership with, any other person.
7. Are not related by blood or affinity in a way that would disqualify you from marriage under Maryland law if you were opposite sexes.
8. Are legally competent to contract.
9. Share sufficient financial and legal obligations to satisfy at least three (3) of the required criteria (described below in the section on *Required Evidence*).

WHAT EVIDENCE IS REQUIRED FOR DOMESTIC PARTNERSHIP?

You must provide the following:

1. The attached *Affidavit For Same-Sex Domestic Partnership* signed in the presence of a notary public by both the employee and the employee's partner under penalty of perjury declaring that they satisfy the requirements of domestic partnership *and*
2. At least 3 of the following documents:
 - a. a joint housing lease, mortgage, or deed
 - b. joint ownership of a motor vehicle
 - c. a joint checking or savings account
 - d. designation of the partner as a primary beneficiary of the employee's life insurance, retirement benefits, or residuary estate under a will
 - e. designation of the partner as holding a durable power of attorney for health care decision regarding the employee

UNDER WHICH GROUP INSURANCE PLANS MAY I ENROLL MY DOMESTIC PARTNER AND MY PARTNER'S ELIGIBLE DEPENDENTS?

You may enroll your domestic partner and your partner's eligible dependents in your medical/vision/prescription plan, dental plan and the dependent life insurance plan. Under current tax law, reimbursements cannot be made from your Health Care and Dependent Care Flexible Spending Accounts for expenses incurred by your domestic partner or your partner's eligible dependents, if they are not your legal tax dependents.

WHO QUALIFIES AS AN "ELIGIBLE DEPENDENT" OF MY DOMESTIC PARTNER FOR GROUP INSURANCE PURPOSES?

The following dependents of your domestic partner are eligible dependents for group insurance purposes:

- the unmarried children of your domestic partner, residing with you, under 19 years of age or up to 23 if a full-time student and
- the unmarried child of your domestic partner, residing with you, beyond age 19 who is incapable of self-support because of a mental or physical disability, and who depends on the domestic partner for support.

The term "children" includes any natural children, legally adopted children, step children, legally appointed guardianship or a child for whom the court has issued a Qualified Medical Child Support Order

HOW DO I ENROLL MY DOMESTIC PARTNER AND MY PARTNER'S ELIGIBLE DEPENDENTS IN MY GROUP INSURANCE PLANS?

During the special enrollment period between August 23 – September 17:

- submit a notarized *Affidavit For Same-Sex Domestic Partnership* and at least 3 required documents to the Human Resources Division, Benefits Department (affidavit form is attached)
- complete an enrollment/change form to change your level of coverage due to the addition of your domestic partner and your partner's eligible dependents;
- proof of eligibility, such as a birth certificate, is required to add your partner's eligible dependents to your group insurance plans – see attached checklist of required documents

All forms must be received in the Benefits Department by September 17 for an October 1, 2010 effective date. If you do not enroll your domestic partner and your partner's eligible dependents by this date, you will have to wait until the next enrollment period in May 2011 to add your domestic partner and your partner's eligible dependents for a July 1, 2011 effective date.

HOW DOES THE ADDITION OF MY DOMESTIC PARTNER AND MY PARTNER'S ELIGIBLE DEPENDENTS TO MY GROUP INSURANCE PLAN AFFECT MY TAX SITUATION?

Internal Revenue Service regulations require different tax treatment for group insurance costs associated with domestic partner coverage in cases where the partner does not qualify as a tax dependent under the IRS Code. In determining the tax effect of domestic partner coverage, FCPS will assume that neither your domestic partner or your partner's eligible dependents qualify as tax dependents, unless you are able to provide documentation to the contrary.

For active employees who pay their portion of the group insurance costs with pre-tax payroll deductions, the addition of a domestic partner and the partner's eligible dependents to those group insurance plans will have the following effects:

PAYROLL DEDUCTION

For each group insurance plan to which you add your domestic partner and your partner's eligible dependents, you will pay

- a post-tax deduction for the coverage level attributable to the domestic partner and domestic partner's child(ren) and
- a pre-tax deduction for the coverage level applicable to the employee coverage level minus the amount of the post-tax deduction.

EXAMPLES – MONTHLY MEDICAL PREMIUM RATES

1. Individual to family coverage:

- ◆ you currently have single coverage, the cost of which = \$20.62 per month
- ◆ after adding your domestic partner and your partner's two children, your coverage level increases to family and your cost = \$243.08 per month;
- ◆ the difference between your cost for family coverage and your cost for single coverage = \$243.08 - \$20.62 or \$222.46;
- ◆ the after-tax portion of your deduction of \$243.08 for family coverage = \$222.46;
- ◆ the pre-tax portion of your total deduction of \$243.08 for family coverage = \$243.08 - \$222.46 or \$20.62.

2. Addition of domestic partner and eligible dependents to current family coverage:

- ◆ you currently have family coverage, that includes your two children, the cost of which = \$243.08;
- ◆ your cost, if you had single coverage = \$20.62;
- ◆ after adding your domestic partner and your partner's two children, your coverage level remains as family and your cost remains = \$243.08;
- ◆ the difference between your cost for family coverage and your cost for single coverage = \$243.08 - \$20.62 or \$222.46;
- ◆ the proportion of dependents covered via the domestic partnership to the total dependents you cover, including those covered via the domestic partnership = 3/5 or 60%;
- ◆ the after-tax portion of your deduction of \$226.46 for family coverage = 60% x \$222.46 or \$133.48;
- ◆ the pre-tax portion of your total deduction of \$243.08 for family coverage = \$243.08 - \$133.48 or \$109.60.

IMPUTED INCOME

If you cover dependents who do not qualify as tax dependents under the IRS Code, the value of the FCPS's contribution toward that coverage is considered wages, subject to tax withholding. This is known as *imputed income*. The way that imputed income is determined is very similar to the way that your after-tax deduction is determined, except that the amount FCPS pays is substituted for the amount *you* pay.

EXAMPLES – MONTHLY MEDICAL PREMIUM RATES

1. Individual to family coverage:

- ◆ you currently have single coverage, for which FCPS pays = \$494.75;
- ◆ after adding your domestic partner and your partner's two children, your coverage level increases to family and FCPS now pays = \$926.60;
- ◆ the difference between FCPS's cost for family coverage and FCPS's cost for single coverage = \$926.60 - \$494.75 or 431.85;
- ◆ you will have reportable imputed income = \$431.85, subject to tax withholding from your paycheck.

2. Addition of domestic partner and eligible dependents to current family coverage:

- ◆ you currently have family coverage, that includes your two children, for which FCPS pays = \$926.60;
- ◆ if you had single coverage, FCPS would pay = \$494.75;
- ◆ after adding your domestic partner and your partner's two children, your coverage level remains as family and FCPS's cost remains = \$926.60;
- ◆ the difference between FCPS's cost for family coverage and FCPS's cost for single coverage = \$926.60 - \$494.75 or \$431.85;
- ◆ the proportion of dependents covered via the domestic partnership to the total dependents you will cover, including those covered via the domestic partnership = 3/5 or 60%;
- ◆ you will have reportable imputed income = \$431.85 x 60% or \$259.11, subject to tax withholding from your paycheck.

For retired employees who pay their portion of the group insurance costs with after-tax deductions from retirement check, or through direct bill, the addition of a domestic partner and the partner's eligible dependents to those group insurance plans will have only the imputed income effect described above.

WHAT IF MY DOMESTIC PARTNERSHIP ENDS?

Should your relationship with your domestic partner end, or you no longer meet the domestic partnership requirements, the domestic partner and the partner's eligible dependents are no longer eligible for coverage under Frederick County Public School's group insurance plans. You must notify the Benefits Department within 30 days of the termination event. In such case, benefits will terminate or continue for the domestic partner and the partner's eligible dependents in the same manner and to the same extent that FCPS terminates or continues, respectively, benefits for a former spouse in equivalent circumstances (such as dissolution of a partnership and divorce). For example, the domestic partner and the partner's eligible dependents may be able to continue their health coverage under COBRA.

PLEASE NOTE:

The information presented in this material has been prepared to assist you in understanding the provisions of same-sex domestic partner benefits offered by FCPS. While this material attempts to summarize the provisions of domestic partner benefits and answer questions you may have, it is by no means exhaustive or exclusive. **NO GUARANTEE OR CONTRACT IS CREATED BY THIS MATERIAL.** In the event that this material conflicts with federal law or collective bargaining agreements in effect, the language of the federal law and the collective bargaining agreements will be the final authority.

FOR MORE INFORMATION:

Contact the school systems Benefits Department:

301-644-5058

301-644-5093

SAME-SEX DOMESTIC PARTNER PAYROLL DEDUCTIONS
October 1, 2010 - June 30, 2011

MEDICAL PLAN

| | Employee Only | Employee Plus One | Family | Employee + Domestic Partner | Employee Plus One + Domestic Partner | Employee + Domestic Partner plus DP Dependents | Employee Family plus Domestic Partner* | Employee Family plus Domestic Partner plus DP Dependents* |
|--|---------------|-------------------|--------|-----------------------------|--------------------------------------|--|--|---|
|--|---------------|-------------------|--------|-----------------------------|--------------------------------------|--|--|---|

10 MONTH EMPLOYEES:

| | | | | | | | | |
|------------------|-------|--------|--------|--------|--------|--------|---|---|
| PreTax | 12.37 | 117.51 | 145.85 | 12.37 | 117.51 | 12.37 | Contact Benefits Office 301-644-5058 | Contact Benefits Office 301-644-5058 |
| PostTax | 0 | 0 | 0 | 105.14 | 28.34 | 133.48 | | |
| Imputed Income** | 0 | 0 | 0 | 259.11 | 0 | 259.11 | | |

11 MONTH EMPLOYEES:

| | | | | | | | | |
|------------------|-------|--------|--------|--------|--------|--------|---|---|
| PreTax | 11.24 | 106.83 | 132.59 | 11.24 | 106.83 | 11.24 | Contact Benefits Office 301-644-5058 | Contact Benefits Office 301-644-5058 |
| PostTax | 0 | 0 | 0 | 95.59 | 25.76 | 121.35 | | |
| Imputed Income** | 0 | 0 | 0 | 235.55 | 0 | 235.55 | | |

12 MONTH EMPLOYEES:

| | | | | | | | | |
|------------------|-------|-------|--------|--------|-------|--------|---|---|
| PreTax | 10.31 | 97.93 | 121.55 | 10.31 | 97.93 | 10.31 | Contact Benefits Office 301-644-5058 | Contact Benefits Office 301-644-5058 |
| PostTax | 0 | 0 | 0 | 87.62 | 23.62 | 111.24 | | |
| Imputed Income** | 0 | 0 | 0 | 215.92 | 0 | 215.92 | | |

DENTAL PLAN

| | Employee Only | Employee Plus One | Family | Employee + Domestic Partner | Employee Plus One + Domestic Partner | Employee + Domestic Partner plus DP Dependents | Employee Family plus Domestic Partner* | Employee Family plus Domestic Partner plus DP Dependents* |
|--|---------------|-------------------|--------|-----------------------------|--------------------------------------|--|--|---|
|--|---------------|-------------------|--------|-----------------------------|--------------------------------------|--|--|---|

10 MONTH EMPLOYEES:

| | | | | | | | | |
|------------------|-------------------|-------|-------|-------|-------|-------|---|---|
| PreTax | Paid 100% by FCPS | 36.32 | 42.04 | 0 | 36.32 | 0 | Contact Benefits Office 301-644-5058 | Contact Benefits Office 301-644-5058 |
| PostTax | | 0 | 0 | 36.32 | 5.72 | 42.04 | | |
| Imputed Income** | | 0 | 0 | 0 | 0 | 0 | | |

11 MONTH EMPLOYEES:

| | | | | | | | | |
|------------------|-------------------|-------|-------|-------|-------|-------|---|---|
| PreTax | Paid 100% by FCPS | 33.02 | 38.21 | 0 | 33.02 | 0 | Contact Benefits Office 301-644-5058 | Contact Benefits Office 301-644-5058 |
| PostTax | | 0 | 0 | 33.02 | 5.19 | 38.21 | | |
| Imputed Income** | | 0 | 0 | 0 | 0 | 0 | | |

12 MONTH EMPLOYEES:

| | | | | | | | | |
|------------------|-------------------|-------|-------|-------|-------|-------|---|---|
| PreTax | Paid 100% by FCPS | 30.27 | 35.03 | 0 | 30.27 | 0 | Contact Benefits Office 301-644-5058 | Contact Benefits Office 301-644-5058 |
| PostTax | | 0 | 0 | 30.27 | 4.76 | 35.03 | | |
| Imputed Income** | | 0 | 0 | 0 | 0 | 0 | | |

*When adding a domestic partner and domestic partner's children to a current family plan, the after-tax portion of your payroll deduction is pro-rated based on the number of dependents covered via the domestic partnership to the total number of dependents you cover.

**If you cover dependents who do not qualify as tax dependents under the IRS Code, the value of the FCPS's contribution toward that coverage is considered wages, subject to tax withholding. This is known as imputed income.

FREDERICK COUNTY PUBLIC SCHOOLS

SAME-SEX DOMESTIC PARTNERSHIP DOCUMENTATION CHECKLIST

| RELATIONSHIP TO EMPLOYEE | ELIGIBILITY DEFINITION | DOCUMENTATION FOR VERIFICATION OF RELATIONSHIP |
|-----------------------------|---|---|
| DOMESTIC PARTNER | <ul style="list-style-type: none"> • Are of the same sex. • Share a close personal relationship and be responsible for each other's welfare. • Have shared the same legal residence for at least 12 months. • Are at least 18 years old. • Have voluntarily consented to the relationship, without fraud or duress. • Are not married to, or in a same-sex domestic partnership with, any other person. • Are not related by blood or affinity in a way that would disqualify us from marriage under Maryland law if we were opposite sexes. • Are legally competent to contract. • Share sufficient financial and legal obligations to satisfy at least three (3) of the following items (evidence required): <ul style="list-style-type: none"> <input type="checkbox"/> a joint housing lease, mortgage, or deed <input type="checkbox"/> joint ownership of a motor vehicle <input type="checkbox"/> a joint checking or savings account <input type="checkbox"/> designation of the partner as a primary beneficiary of the employee's life insurance, retirement benefits, or residuary estate under a will <input type="checkbox"/> designation of the partner as holding a durable power of attorney for health care decision regarding the employee | <ul style="list-style-type: none"> • <i>Affidavit For Same-Sex Domestic Partnership</i> signed in the presence of a notary public by both the employee and the employee's partner under penalty of perjury declaring that they satisfy the requirements of domestic partnership <i>and</i> • At least 3 of the following documents: <ul style="list-style-type: none"> <input type="checkbox"/> a joint housing lease, mortgage, or deed <input type="checkbox"/> joint ownership of a motor vehicle <input type="checkbox"/> a joint checking or savings account <input type="checkbox"/> designation of the partner as a primary beneficiary of the employee's life insurance, retirement benefits, or residuary estate under a will <input type="checkbox"/> designation of the partner as holding a durable power of attorney for health care decision regarding the employee |
| DEPENDENT CHILD(REN) | <ul style="list-style-type: none"> • Unmarried dependent children until they reach age 19 • Unmarried dependent children until they reach age 23 if a full-time student in one of the following:* <ul style="list-style-type: none"> <input type="checkbox"/> an accredited high school <input type="checkbox"/> an accredited college or university <input type="checkbox"/> a licensed vocational school, technical school, beautician school, automotive school or similar training school <p>*If dependent is a full-time student you are required to provide an official class schedule from the school to the Benefits Office within 30 days of start date of classes.</p> <p>NOTE: Following conditions must also be met</p> <ul style="list-style-type: none"> • Child is not regularly employed on a full-time basis • Child must be primarily dependent on you for support | <p>Natural Child:</p> <ul style="list-style-type: none"> • Copy of child's official state birth certificate <p>Step Child – Provide all of the following:</p> <ul style="list-style-type: none"> • Copy of child's official state birth certificate • Copy of most recent Federal Tax Form (1040 or 1040A)* that identifies domestic partner – child relationship <p>Legal Ward or Court Appointed Guardianship – Provide all of the following:</p> <ul style="list-style-type: none"> • Copy of dependent's official state birth certificate • Copy of legal ward court document, with presiding judge's signature and seal <p>Adopted Child:</p> <ul style="list-style-type: none"> • Copy of official adoption papers, must indicate child's date of birth <p>Child for whom the court has issued a QMCSO</p> <ul style="list-style-type: none"> • A copy of the Qualified Medical Child Support Order |
| DISABLED DEPENDENTS | <ul style="list-style-type: none"> • Unmarried dependent children over the age limit if: <ol style="list-style-type: none"> 1. They are dependent on you for primary financial support and maintenance due to a physical or mental disability 2. They are incapable of self-support | <p>Provide all the following:</p> <ul style="list-style-type: none"> • Completed Disability Form (Request from Benefits Office) • Copy of most recent Federal Tax Return |

CONFIDENTIAL

FREDERICK COUNTY PUBLIC SCHOOLS

Affidavit for Same-Sex Domestic Partnership

(ALL REQUIRED EVIDENCE AND DOCUMENTATION MUST BE ATTACHED TO THIS FORM.)

PART I

I, _____, Social Security # _____, Employee ID# _____, and
(Employee – Print Name)

I, _____, Social Security # _____, affirm, by our signatures
(Same-Sex Domestic Partner – Print Name)

below and under penalty of perjury, that we satisfy the following requirements as domestic partners:

1. Are of the same sex.
2. Share a close personal relationship and be responsible for each other's welfare.
3. Have shared the same legal residence for at least 12 months.
4. Are at least 18 years old.
5. Have voluntarily consented to the relationship, without fraud or duress.
6. Are not married to, or in a same-sex domestic partnership with, any other person.
7. Are not related by blood or affinity in a way that would disqualify us from marriage under Maryland law if we were opposite sexes.
8. Are legally competent to contract.
9. Share sufficient financial and legal obligations to satisfy at least three (3) of the following documents (evidence required):
 - a. a joint housing lease, mortgage, or deed which must be effective for at least 12 months
 - b. joint ownership of a motor vehicle
 - c. a joint checking or savings account
 - d. designation of the partner as a primary beneficiary of the employee's life insurance, retirement benefits, or residuary estate under a will
 - e. designation of the partner as holding a durable power of attorney for health care decision regarding the employee

PART II

TERMINATION OF DOMESTIC PARTNERSHIP

1. We understand that we must notify Frederick County Public Schools (FCPS) within 30 days after termination of the domestic partnership by death or dissolution.
2. We further understand that when the domestic partnership ends, benefits will terminate or continue in the same manner and to the same extent that FCPS terminates or continues, respectively, benefits for a former spouse in equivalent circumstances (such as dissolution of a partnership and divorce).

PART III

1. We understand this information will be held confidential and will be subject to disclosure only upon our express written authorization or if otherwise required by law.
2. We understand that our declaration of domestic partnership and the responsibility for our common welfare may have legal and tax implications under federal and Maryland law. We understand that if an employee receives health benefits, including medical, dental, vision, and prescription for a same-sex domestic partner who is not a dependent of the employee under the Internal Revenue Code, that employee will be required to pay taxes on the value of the benefit. We understand that we are encouraged to contact a tax advisor or an attorney regarding tax implications of same-sex domestic partner benefits.

3. We understand that enrollment in benefits to which we or dependents are not entitled is considered fraud. We further understand that if we willfully misrepresent the eligibility of ourselves or dependents, fail to take the necessary action to remove ineligible dependents, or in anyway obtain benefits to which we are not entitled, our benefits will be canceled. In addition, we may be required to repay any claims that have been paid inappropriately and may face charges (or dismissal) from FCPS service.

Employee's Signature

Date

Subscribed and sworn to before me this _____ day of _____, 20 ____ .

Notary Public

My commission expires: _____

Same-Sex Domestic Partner's Signature

Date

Subscribed and sworn to before me this _____ day of _____, 20 ____ .

Notary Public

My commission expires: _____