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Division of Human Resources

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Cornell University Benefits for Same-Sex Partnerships Questions & Answers

For Endowed Faculty and Staff for 2010

Benefit Services, 130 Day Hall

<http://www.ohr.cornell.edu/ohr/index.html>

(607) 255-3936 or benefits@cornell.edu

Cornell University extended benefit eligibility to same-sex partners of faculty and staff effective July 1, 1994.

How is a partnership defined?

A partnership is defined as two individuals of the same gender who live together in a relationship akin to marriage of indefinite duration, with an exclusive mutual commitment in which the partners agree to be jointly responsible for each other's common welfare and share financial obligations.

For which benefits are my partner and the child(ren) of my partner eligible?

If you are a benefits eligible faculty/staff member, your partner and the child(ren) of your partner may be added to your health, dental, Group Universal Life (GUL), Personal Accident Insurance (PAI), and long-term care insurance plans (children are not eligible for long-term care). Your partner's children are eligible for Cornell Children's Tuition Scholarship (CCTS).

How and when may I enroll my partner?

If you are a new faculty/staff member, you should complete and return the "Statement of Partnership" within 60 days from your hire date or date of benefit eligibility.

If you wish to register a new same-sex partner and/or partner's eligible child(ren), contact Benefits Services at (607) 255-3936 within 60 days of the new partnership to request a "Statement of Partnership" form.

You and your partner will be asked to sign the "Statement of Partnership," which certifies that your partnership meets the university's requirements. If you wish to enroll your partner and/or your partner's child(ren) for benefits at the time of certifying your partnership, you will also need to complete new

benefit enrollment forms, adding your partner and/or your partner's child(ren) to your insurance plans.

Other than completing the Statement, will I need to provide proof of my partnership?

Just as with faculty and staff who state they are married, your signature warrants that you meet the requirements noted in the “Statement of Partnership” and that the information provided is true and correct. If questions arise at any time, the university may ask for documentation that your partnership meets the university criteria (as specified in the “Statement of Partnership” form).

What is the deadline for enrollment in health, dental, Group Universal Life (GUL) and Personal Accident Insurance (PAI)?

New faculty and staff have 60 days from your hire date or date of benefit eligibility to enroll current partners and/or their child(ren) for coverage.

The next opportunity for enrolling your partner and/or the child(ren) of your partner in the university's health insurance plan (unless you have a qualified family status event, e.g., birth of a child) will be the next Open Enrollment period (Fall 2010) for coverage effective January 1, 2011.

If you register a **new** partner with Benefit Services at any time during the year, you have 60 days from the date the relationship started to enroll your partner and/or the child(ren) of your partner. We ask that you write a statement to this effect, attaching it to the “Statement of Partnership” form.

If you wish to cover your same-sex partner for life insurance, enrollment for up to \$40,000 without medical underwriting can be done within the first 60 days of the signed Partnership Agreement. Eligible children may also be enrolled for up to \$20,000 of coverage in \$2,000 increments during this time.

Same-sex partners can be covered to a maximum amount of \$250,000 but need to complete a medical questionnaire beyond the 60-day initial period. Eligible children also need to go through medical underwriting after this time. Either the employee or partner must be enrolled in GUL in order for children to have coverage.

Same-sex partners may be enrolled in PAI if the employee is also enrolled. Partner coverage can be either 50% or 100% of the employee total amount, not to exceed \$250,000. Children may also be enrolled for 10% of the employee amount to a maximum of \$25,000. You can enroll in PAI at any time because medical underwriting is not necessary for this insurance.

If both same-sex partners are employees of the university, they may not cover each other for GUL or PAI. Only one employee is permitted to carry coverage for children under either plan.

When will coverage be effective?

For new faculty/staff members, coverage for health and dental insurance begins on the date you begin employment provided you are actively at work. Coverage for GUL and PAI insurance begins on the first day of the first month after enrollment (or approval by CIGNA).

What else do I need to know?

There may be tax implications imposed by the Internal Revenue Service (IRS) if you enroll your partner in health insurance. In general, the value of the health benefits your partner receives is viewed as taxable income. Generally, health insurance benefits are *excluded* from taxable income if the recipient of the benefit is the *employee or his or her spouse or dependent*. If the employer provides a benefit to someone other than a dependent (as defined by Internal Revenue Code), the value of the benefit provided must be calculated into the gross income of the employee for tax purposes. This is called imputed income. Therefore, the university believes that in most cases the contributions made by the university for health insurance coverage for the partners of faculty and staff will be considered by the IRS as taxable income. Faculty and staff members who cover a partner should be aware that this might increase their federal and state taxes. Imputed income does not apply if you can claim that your same-sex partner is your tax dependent.

Children of partners may qualify as dependents. Faculty and staff are encouraged to speak with a tax advisor before enrolling their partner and/or the partner's child(ren).

Note: If your same-sex partner and his/her dependent(s) qualify as dependents under section 152 of the Internal Revenue Code, you need to complete the “Endowed Health & Dental Plan Tax Dependent Affidavit.” Contact Benefit Services to obtain the form.

Health Savings Account (HSA) Note:

An employee who covers a same-sex partner and enrolls in the HSA for family coverage can contribute up to \$6,150 (includes Cornell’s contribution) to his/her HSA. The same-sex partner can also contribute up to \$3,050 on an after-tax basis by establishing an “unaffiliated account” through JP Morgan. Same-sex partners cannot submit expenses to the employee’s HSA account unless the same-sex partner is considered a tax dependent as determined by the IRS. The eligible contribution limits may be adjusted based on IRS

regulation annually. Refer to the Aetna HSA materials on Benefit Services' web site at:
<http://www.ohr.cornell.edu/benefits/programs/endowHealthHSA.html> for more information.

How do I know if my partner or partner's dependents meet the IRS's definition of a dependent?

In general, your partner is your dependent in any calendar year for purposes of the tax laws if he or she meets all of the following criteria:

- 1) Is a citizen or national of the United States, Mexico, Canada, the Canal Zone or the Republic of Panama;
- 2) Is a member of your household for the year; e.g., had his or her principal place of abode in your home for the year;
- 3) Does not violate local law by engaging in the relationship; and
- 4) Receives over half of his or her support for the year from you. Support includes food, shelter, clothing, medical and dental care, and education. The amount of support you provide should be compared to your partner's support from all sources, including support provided by the partner.

This description of the requirements to claim that your partner is a tax dependent is only a summary of current law and is not to be considered specific legal advice. If you are considering claiming your partner's children as tax dependents, please see your tax advisor.

Endowed Faculty and Staff

What is the cost of adding my partner to my dental coverage?

Your additional contribution for providing benefit coverage to your same-sex partner will be the same as that charged for a spouse over 24 pays. Please refer to the chart below.

Additional Cost for 2010

| First Ameritas | Plan A | Plan B |
|--------------------------------------|---------|---------|
| Individual + Spouse/SSP | \$14.44 | \$ 8.02 |
| Individual + Spouse/SSP + Child(ren) | \$34.36 | \$22.42 |

Your partner's coverage is not subject to imputed income because the university does not contribute toward the cost of the First Ameritas Dental Plan.

Endowed Faculty and Staff

What is the cost of adding my partner to my health coverage?

Your additional contribution for providing benefit coverage to your same-sex partner will be the same as that charged for a spouse. Please refer to the chart below for the amount you will be charged after tax to add your same-sex partner.

Individual + Spouse/Same-Sex Partner Additional Cost for 2010

| | 24 pays | 26 pays |
|---|----------|----------|
| Aetna 80/20 | \$132.21 | \$122.03 |
| Aetna PPO | \$104.24 | \$ 96.22 |
| HealthNow PPO | \$ 84.39 | \$ 77.90 |
| Cornell Program for Healthy Living (CPHL) | \$ 77.49 | \$ 71.53 |
| HSA | \$ 79.70 | \$ 73.57 |

Individual + Spouse/Same-Sex Partner + Child(ren) Additional Cost for 2010

| | 24 pays | 26 pays |
|---|-----------|-----------|
| Aetna 80/20 | \$194.45 | \$ 179.49 |
| Aetna PPO | \$ 142.92 | \$ 131.92 |
| HealthNow PPO | \$ 120.88 | \$ 111.58 |
| Cornell Program for Healthy Living (CPHL) | \$111.01 | \$ 102.46 |
| HSA | \$114.18 | \$ 105.39 |

The contribution for your same-sex partner must be made on an after-tax basis. For example, the current cost of Individual + Spouse/SSP coverage under the Aetna 80/20 plan is \$165.22 (24 pays) minus \$33.01 the cost of single coverage equals \$132.21. As a result, the amount that would be deducted from your paycheck on an after-tax basis is \$132.21.

According to current IRS rules, unless your same-sex partner is a tax-qualified dependent, you may need to pay taxes on “imputed income,” which is the amount Cornell contributes toward coverage for your same-sex partner. The charts below provide the amount of imputed income for individuals enrolling in the Individual+Spouse/SSP coverage or Individual+Spouse/SSP+ Child(ren).

Individual + Spouse/Same-Sex Partner Coverage for 2010

| | If 26 pays Cornell contribution | Cornell single contribution (-) | Imputed income = | If 24 pays Cornell contribution | Cornell single contribution (-) | Imputed Income = |
|------------------|---------------------------------------|--|------------------------|---------------------------------------|--|------------------------|
| 80/20 | \$457.48 | \$274.19 | \$183.29 | \$495.61 | \$297.04 | \$198.57 |
| Aetna PPO | \$360.73 | \$216.19 | \$144.54 | \$390.79 | \$234.21 | \$156.58 |
| HealthNow PPO | \$292.09 | \$175.13 | \$116.96 | \$316.43 | \$189.72 | \$126.71 |
| CPHL | \$268.20 | \$160.81 | \$107.39 | \$290.55 | \$174.21 | \$116.34 |
| HSA | \$275.87 | \$165.40 | \$110.47 | \$298.86 | \$179.19 | \$119.67 |

**Individual + Spouse/Same-Sex Partner+Child(ren)
 Coverage for 2010**

| | If 26 pays Cornell contribution | Cornell single contribution (-) | Imputed income = | If 24 pays Cornell contribution | Cornell single contribution (-) | Imputed Income = |
|---------------|---------------------------------------|--|------------------------|---------------------------------------|--|------------------------|
| 80/20 | \$629.88 | \$274.19 | \$355.69 | \$682.37 | \$297.04 | \$385.33 |
| Open Choice | \$467.84 | \$216.19 | \$251.65 | \$506.82 | \$234.21 | \$272.61 |
| HealthNow POS | \$393.14 | \$175.13 | \$218.01 | \$425.90 | \$189.72 | \$227.18 |
| CPHL | \$360.98 | \$160.81 | \$200.17 | \$391.06 | \$174.21 | \$216.85 |
| HSA | \$371.29 | \$165.40 | \$205.89 | \$402.23 | \$179.19 | \$223.04 |

Does the imputed income for the partner coverage affect other benefits?

This imputed income does not affect other university benefit plans. It is not included, for example, in the compensation base for group life insurance or disability benefits. Any additional Social Security taxes paid as the result of the imputed income, however, could produce a higher Social Security benefit for the employee.

What happens if my partner and I terminate our relationship, or my relationship no longer meets the criteria of a partnership?

You must notify Benefit Services within 60 days of ending the relationship. Your partner may no longer be eligible for athletic and library privileges and you must remove your ex-partner and his or her child(ren) from all university benefit plans. (This same rule also applies to the termination of a marriage)

through divorce.) The university will extend the same health insurance and dental coverage to partners and their children that it does to ex-spouses and their children under the provisions of COBRA. Specifically, ex-partners and their children will be eligible to continue health benefits for up to 36 months after filing a “Statement of Termination of Partnership” by paying the full cost of the coverage plus a 2% administrative fee.

For Cornell Children's Tuition Scholarship, (CCTS) children of a same-sex partner who is not employed by Cornell (non-Cornell), become eligible to use the benefit according to the date of registration of the relationship if the Cornell faculty/staff has met the program eligibility requirements. Should the relationship dissolve, the benefit would cease immediately. If payment has already been made for a student attending another institution, Benefit Services will bill the faculty or staff member for the overpaid amount. If the child is attending Cornell, the Office of the Bursar will be notified and will bill the employee for the amount of the overpayment. Awards made on behalf of the children of the non-Cornell partner will be taxable to the Cornell faculty or staff member.

What if I have other questions?

If you have questions about how to enroll a partner and/or partner's child(ren), call Benefit Services at (607) 255-3936 and a Benefits Resource Specialist will be happy to help you (via e-mail: benefits@cornell.edu).