

**Town of Richmond**

**POLICY ON COVERAGE FOR DOMESTIC PARTNERS UNDER HEALTH INSURANCE,  
EYE CARE AND DENTAL PLANS**

**I. DEFINITIONS**

- A. A “Domestic Partner” is a person of the same or opposite sex as the eligible employee who meets the criteria set forth in the section of this Policy entitled “Coverage”. Persons who live together for economic reasons but have not made a commitment to an exclusive enduring relationship as described in this Policy **shall not** be considered to be domestic partners.
- B. A child of a domestic partner who meets the criteria set forth in the “Coverage” section of this Policy shall also be eligible for health and dental benefits under this Policy.

**II. COVERAGE**

**A. Domestic Partners**

An employee may obtain health, eye care, and dental benefits coverage for his or her domestic partner by submitting an application, signed and sworn by the employee and the domestic partner, declaring that the domestic partner relationship meets all of the following criteria:

- 1. The persons are each other’s sole domestic partner and have been in an enduring domestic relationship sharing a residence for not less than six consecutive months prior to the submission of the application.
- 2. The persons are eighteen years or older.
- 3. Neither person is married to anyone.
- 4. The parties are not related by blood closer than would bar marriage under Vermont state law.
- 5. The persons are competent to enter into a legally binding contract.
- 6. The persons have agreed between themselves to be responsible for each other’s welfare.

**B. Children of a Domestic Partner**

An employee may obtain health, eye care, and dental benefits coverage for the child of his or her domestic partner provided all of the following criteria are met:

- 1. The child otherwise meets the eligibility criteria for dependent children under the provisions of the health or dental benefit plans; and
- 2. The child can be, and is, claimed as a dependent by the employee and/or domestic partner for Federal income tax deduction purposes; and
- 3. The child resides with the employee and their domestic partner; and
- 4. The employee and their domestic partner have agreed between themselves to be jointly responsible for the child’s welfare.

### **III. DOCUMENTATION AND VERIFICATION**

Your employer may require an employee to produce documentary evidence to support the employee's request for insurance coverage for a domestic partner and the domestic partner's dependent children. Evidence to support the request may include, but is not necessarily limited to, the following:

- A. Evidence of joint purchase of home;
- B. A copy of a lease for a residence identifying both parties as responsible for the payment of rent;
- C. Evidence of a joint checking account;
- D. Evidence of a joint savings account;
- E. A title for a car showing joint ownership;
- F. Evidence of joint liability for credit cards;
- G. A copy of the plan proceeds from specifying that the domestic partner is the named beneficiary of the employee life insurance (if applicable);
- H. Evidence that the domestic partner is the beneficiary of the employee's deferred compensation;
- I. Evidence of durable powers of attorney for property or health;
- J. Wills specifying the domestic partner as the major recipient of employee's financial assets;
- K. Or other forms of evidence depicting significant joint financial interdependency.

**Any misrepresentation or falsification of information on an application or affidavit for health and dental benefit coverage under this Policy shall result in loss of health, eye care and dental insurance coverage, shall be considered gross misconduct, and may result in disciplinary action up to and including dismissal.**

### **IV. OTHER PROVISIONS**

#### **A. Confidentiality**

The application for benefits under this Policy shall be submitted directly to the Town Manager and shall contain the following statement: "I understand that this application and the information contained in it will be maintained by my employer as a confidential personal document, and shall not be disclosed in the absence of the employee's written consent except as necessary to provide and administer benefits coverage or otherwise as required by law."

#### **B. Termination of Domestic Partnership**

The employee must notify the Department of Human Resources within 30 days after termination of a domestic partnership.

#### **C. COBRA Coverage**

Domestic partners and their dependents that are not considered as "qualifying beneficiaries" under federal COBRA provisions will not be eligible to continue their coverage under COBRA after any event that would otherwise give rise to COBRA rights, such as termination of employment or the relationship. Dependents who are not COBRA qualified may be eligible for continuation coverage under the State of Vermont continuation of coverages law. Please contact the HR Dept for more information.

**D. Taxation of Benefits – Extremely Important Information**

The application for benefits under this Policy shall contain a statement to the effect that the employer's portion of the cost of the health and dental benefits for a domestic partner or domestic partner's child (ren), when the partner or child is not an "IRS qualified" dependent of such employee, will be considered as taxable income to the employee and subject to withholding tax.

Section 152 of the Internal Revenue Code defines a dependent as an individual who received over half of their support from the taxpayer. Generally, a dependent can be claimed on the taxpayer's Federal Income Tax return.

***On the domestic partner application, if you certify that a domestic partner or domestic partner's child(ren) do not qualify as dependents under Section 152 of the Internal Revenue Code, The Value of the cost of providing health care coverage to them is considered by the Internal Revenue Service as a taxable benefit to you.*** If you enroll a domestic partner on your health insurance, your taxable wages for Federal Income Tax, Social Security, Medicare and State Taxes will include the value of the cost of the health care coverage provided to your domestic partner.

***The amount of taxable income added to your wages on a biweekly basis for domestic partner coverage is based on the cost and value of the plan.*** This applies to both medical, dental and other pre-tax benefit coverages.

***To determine the amount of taxable income that will be added to your biweekly paycheck, prior to enrolling a domestic partner, please*** contact your HR Dept.

**E. Enrollment**

An employee may obtain coverage under this Policy for a domestic partner and their children (if applicable) during the annual Open Enrollment period as provided for by the plan; within 30 calendar days of qualifying for coverage under the "Coverage" section of this Policy; or in appropriate cases as provided for under the enrollment/eligibility provisions of the health plans.