

# Your Domestic Partner Coverage

UPDATED 2006

Domestic partners are eligible for coverage under The Sound Partnership employee benefit plans.

You may enroll your domestic partner and/or the partner's eligible children who reside in your home for benefits available through The Sound Partnership. To enroll a domestic partner or your partner's dependent children, you must submit a completed *Benefits Enrollment Form* and an *Affidavit of Domestic Partnership* to The Sound Partnership.

Eligible domestic partners and their eligible children may be enrolled for medical, dental, vision care, LTD survivorship benefits and dependent life insurance coverage. Based on IRS regulations, the Health Care or Dependent Care Spending Accounts may not be used to reimburse health or dependent care expenses incurred by your domestic partner or your domestic partner's children, unless the domestic partner and/or his or her children qualify as your tax dependents under the Internal Revenue Code.

In order to qualify as a tax dependent under the Internal Revenue Code, the domestic partner and domestic partner's children must:

- Share his or her principle residence with the employee for the full tax year (January 1 through December 31).
- Receive more than half his or her support for the calendar year from the employee.

You should consult with a tax advisor to determine whether you satisfy these requirements.

## Eligibility Domestic Partners

An eligible domestic partnership is defined as two adults of the same or opposite sex who live together as a couple in a committed relationship. A domestic partnership must meet all of the following qualifications:

- You have jointly shared the same regular and permanent residence for the last six months and intend to continue doing so indefinitely.
- You have jointly shared the same bank accounts.
- You are not related by blood closer than would prohibit marriage in your state.
- You are jointly financially responsible for basic living expenses, including food, shelter (mortgage/leases) and medical expenses. (Partners are not required to contribute equally to these expenses.)
- You are both at least 18 years of age.
- Neither of you is legally married to anyone else nor a member of another domestic partnership.

Domestic partners do not include roommates, friends, siblings, parents or other relatives.



This is intended only as a highlights of the plan—it is not a summary plan description. If there is a conflict between these highlights and the official plan documents, the official plan documents will prevail. The Sound Partnership reserves the right to amend or terminate the plan or any plan provision at any time. This is not an employment contract or a guarantee to continue employment for any length of time.

## Children of Domestic Partners

Children of domestic partners are eligible for benefits as follows:

- Your domestic partner's unmarried children under age 25, including:
  - Biological children.
  - Stepchildren.
  - Legally adopted children.
  - Children for whom you or your domestic partner have legal guardianship.
  - Children you or your domestic partner claimed as legal dependents on the previous year's tax return.
- Dependent children age 25 and older who are physically or mentally disabled and incapable of self-support. The child must have become disabled before reaching the age when he or she is no longer eligible for coverage. Check with your medical plan for details.

## Termination of a Domestic Partnership

A domestic partnership is terminated and coverage ends for the domestic partner and domestic partner's children when any one of the following qualifications is met:

- The domestic partnership ends or no longer qualifies.
- A child of a domestic partner no longer meets eligibility requirements.
- You choose to end dependent coverage for your domestic partner or your domestic partner's children during open enrollment or a special enrollment period due to a qualifying status change.
- You stop paying required dependent coverage premiums for your domestic partner or your domestic partner's children.
- Your domestic partner's child starts full-time active duty in the armed forces.
- The plan is terminated.
- You die.

Notification to The Sound Partnership must be made within 31 days of any of the above events.

## Tax Implications

According to federal tax law, your taxes may be affected when you enroll your domestic partner for coverage. Coverage for domestic partners and their children may not be paid for with before-tax dollars.

The Sound Partnership domestic partner coverage is considered a taxable benefit under federal IRS regulations. If you have this coverage, additional taxable income will be added to your pay each month and the appropriate taxes withheld. The impact on your tax withholding will depend on your gross pay and your W-4 filing status. *Since the tax requirements are complex, you should consult a tax professional for advice on your personal situation.*