

Benefit Fact Sheet

What is it?

Domestic partner benefits extend traditional healthcare benefits to an employee's domestic partner. A domestic partnership is generally defined as a committed relationship between two unrelated individuals who reside together and share financial responsibilities, but are neither joined by marriage or civil union. The terminology for such unions is still evolving, and the level of benefits conferred by a domestic partnership can vary widely by city, state, and employer.

Why offer it?

- Commitment to fair and equitable treatment of all employees.
- Appeals to a diverse workforce.
- May be a requirement for entering into business agreements with certain government entities.
- May be required under certain state laws.
- To attract and retain employees.
- Demonstrates support of a progressive culture.

What types of employers offer it?

All types of employers offer domestic partner benefits though the benefits are more commonly provided among large employers, colleges and universities. In 2008, approximately 9,375 employers, including 286 of the Fortune 500 companies, offered benefits for domestic partners¹. There are currently 16 U.S. states that have also passed legislation extending benefits to domestic partnerships. These states include California, Connecticut, District of Columbia, Hawaii, Iowa, Maryland, Maine, New Hampshire, New Jersey, New Mexico, Oregon, Pennsylvania, Rhode Island, Vermont, Washington and West Virginia².

What size employers offer it?

Any size employer can offer domestic partner benefits with insurance carrier approval. In California, all insurance policies must include coverage for registered domestic partners that are equal to the benefits provided to a spouse.

What are the critical underwriting or participation requirements?

- Employers must establish a domestic partner policy which is approved by the insurer.
- Employers must decide whether to extend coverage only to same sex domestic partners or to both same sex and opposite sex domestic partners. For all contracts written in California, coverage must be provided to all domestic partners registered with the State of California. [Click here](#) to view the requirements for a registered domestic partnership.
- Insurers must agree to underwrite.
- Medical insurers will require that domestic partner coverage be added to all of an employer's group medical plans.

¹ Human Rights Campaign, *The State of the Workplace 2007-2008*

² Council for Affordable Health Insurance, *Health Insurance Mandates in the States 2009*

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How much does it cost?

Health care premiums are the same regardless of the enrolled dependent. According to a 2005 Hewitt Associates Study “the majority of employers (64%) experience a total financial impact of less than 1 percent of total benefits cost, while 88% experience financial impacts of 2 percent or less.” Domestic partnerships registered with the Secretary of the State of California are eligible for the same state tax advantages for health care costs available to legal spouses and dependents. Imputed income is not subject to California state income tax.

Pros and cons:

Pros

- Communicates commitment to diversity
- Little or no additional premium cost
- Part of a competitive benefits package

Cons

- Increased administration and communication.
- Imputed income on any employer paid coverage.
- Post tax employee contributions on employee paid coverage.

Informational link(s)

- [Domestic Partner Taxation](#) (ArlenGroup)
- [California Domestic Partners Registry](#) (Secretary of State of California)
- [Health Insurance Benefits for Domestic Partners](#) (insure.com)
- [The Challenge Of Providing Health Benefits For Domestic Partners](#) (Steptoe & Johnson LLP)
- [Domestic Partner Benefits](#) (Human Rights Campaign)
- [Domestic Partner Benefits: Facts and Background](#) (Employee Benefit Research Institute)

Notes

- States that recognize common law marriages provide couples who have that status, tax favorable treatment in an employment based plan for domestic partner coverage.³
- Domestic partners are generally not eligible for COBRA benefits, although an employer may voluntarily (and with carrier approval) elect to extend COBRA-like benefits to domestic partners.
- Actuarial studies have revealed no disproportionate cost increases following the addition of same-sex partners to an employers’ health care plan.
- Companies with \$100,000 or more in contracts with the State of California are required to extend benefits to an employee’s spouse or registered domestic partner.⁴

³ Employee Benefit Research Institute, *Domestic Partner Benefits: Facts and Backgrounds*

⁴ California Assembly Bill 17, The Domestic Partners Act