

Domestic Partnership and Sponsored Dependent Benefits Frequently Asked Questions

Who is eligible for domestic partner/sponsored dependent benefits?

Eligible individuals include faculty, staff, graduate associates and students who are already eligible for healthcare benefits through Ohio State.

Will the same healthcare benefits currently offered to legally married spouses of Ohio State faculty and staff be available to same-sex domestic partners effective October 1?

Yes. The same healthcare benefits currently offered to spouses of Ohio State faculty and staff will be offered to same-sex domestic partners, including medical, dental and vision coverage. However, because the definition of 'dependent' differs for taxation purposes, the premium contributions for same-sex domestic partners will not be eligible for pre-tax deductions. In addition, the value of the university's subsidy will most likely be considered taxable income due to IRS regulations.

Will my domestic partner be eligible for other university benefits?

In addition to healthcare benefits, domestic partners will continue to be eligible for Dependent Group Life Insurance (DGLI), GlobalCare, WholeHealth Discount Program, Family and Medical Leave, sick leave, the University Faculty and Staff Wellness Program (UFSAP) and numerous discount programs.

How do I enroll for sponsored dependent healthcare coverage?

For the first phase of the program (offering coverage to same-sex domestic partners and their children), an open enrollment period will occur this summer. To receive healthcare benefits for these individuals, you will need to sign an affidavit certifying, among other items, that you have a domestic partner with whom you share a residence, are in a long-term committed relationship and have been for at least six months, are each other's sole domestic partner and intend to remain so indefinitely. For the second phase of the program, detailed information and enrollment materials will be available Autumn Quarter.

Of the relatively large numbers of faculty, staff and students, how many might enroll in a sponsored dependent program and how much will it cost?

Based on our research of other universities and employers, we estimate that approximately one to two percent of faculty, staff, graduate associates and students will actually enroll a sponsored dependent. The addition of these benefits is estimated to increase the university's budget for healthcare benefits by one-half to three-quarters of one percent.

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Didn't the Ohio legislature forbid universities from providing benefits to domestic partners through passage of the Defense of Marriage Act (DOMA) earlier this year?

No. We have received clarification that this bill was not intended to prevent universities from providing benefits to domestic partners and that the board of trustees of each institution has the discretion to offer these benefits.

Why are subsidized benefits available to same-sex domestic partners and not opposite-sex domestic partners?

In treating this as a competitive recruitment/retention issue, we examined the benefits programs across higher education institutions nationally. We found that the vast majority of institutions provide these benefits to same-sex partners, and not opposite-sex. Many institutions that only offer benefits to same-sex domestic partners choose to do so in order to focus on those individuals who do not have the right to get legally married and receive benefits. At this point, that is how we are initiating this program; however, we do intend to closely monitor the feedback and questions we receive about this new program and will remain flexible and open to important changes.

Will healthcare contributions for faculty and staff be negatively impacted when we expand the definition of sponsored dependents in January, 2005?

No. The premiums for sponsored dependents will be a separate group premium rate that will be actuarially determined for this specific group. Therefore, these individuals will have a separate premium and their claims experience will not impact faculty and staff contribution rates.

Why are my domestic partner benefits taxed when my married colleagues' benefits are not?

The IRS has ruled that domestic partners cannot be considered spouses for tax purposes. Thus, employers are obligated to report the 'fair market value' of the domestic partner coverage as income to the employee. The employee must pay income tax on that benefit.

Is my domestic partner eligible for reimbursement through the Flexible Spending Account program?

No. Flexible Spending Accounts (FSAs) are governed by IRS rules. The IRS does not recognize spouse-equivalent status; therefore, you cannot be reimbursed for a domestic partner's health care expenses or their children's expenses, via an FSA account.

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Why are the health plan rates for sponsored dependents so expensive?

As you are aware, the cost of healthcare in today's economy does represent a very significant expense; however, the rates that have been established for sponsored dependent coverage are not out of line with those you may find in the marketplace if you attempt to obtain healthcare coverage through an individual insurance policy. In addition, sponsored dependent coverage through the university's health care plans is offered with:

- no medical underwriting requirements and
- no pre-existing condition limitations.

Often times, individual coverage cannot be obtained from an insurance carrier without having to provide medical Evidence of Insurability (EOI). This means that the carrier could limit coverage based on existing health conditions, or even deny coverage if they determine that the individual is too much of a "health risk" to be insured.

By offering sponsored dependent health care coverage, the university is ensuring that additional household members who are supported by faculty and staff have *access* to coverage that they may not have otherwise been able to obtain.

Since employees are responsible for paying the full cost of coverage for sponsored dependents, shouldn't the rates for sponsored dependents be equivalent to the rates for COBRA coverage?

The plan that went before Ohio State's Board of Trustees for approval, which provided for the extension of health care benefits to certain sponsored dependents of eligible faculty and staff members effective January 1, 2005, proposed a funding arrangement that would not negatively impact the healthcare contribution amounts for those individuals who were already eligible for the plans. Thus, the premiums for sponsored dependents were derived as separate group premium rates that were actuarially determined for this specific population based on the benefits available under each of the plans, as well as assumptions about the demographics of individuals who may enroll in the coverage and health care cost projections for this group.

By law, COBRA rates may not exceed (except for a 2% administrative fee) what has been determined to be the plan cost for all members, including both active and COBRA participants. When the group of participants is larger, the cost of coverage can be spread out amongst a greater number of individuals, often resulting in lower overall premiums. In order to protect the plans for its existing members by not allowing the cost of sponsored dependent coverage to impact the contribution rates for faculty and staff, the premiums for sponsored dependent coverage were established separately; however, the resulting rates were more expensive than the COBRA rates under each of the plans.

As we are able to track a "history" of the population of enrollees in the university's sponsored dependent coverage, as well as the claims utilization for this group, we will continue to monitor the premiums and adjust them accordingly so that they appropriately reflect the benefit cost for the sponsored dependent group.