

## Taxation of Domestic Partner Benefits

CML policy allows employees to add a domestic partner to their health, vision, and dental insurance. Be advised that adding a domestic partner to your insurance coverage may have tax consequences.

Under federal and state tax law, employer contributions for health, vision and dental insurance are excluded from an employee's gross income. However, the exclusion only applies to coverage for the employee, the employee's spouse and the employee's dependents. If you add a domestic partner who does not qualify as a tax dependent under the Internal Revenue Code (Section 152 and Notice 2010-38), then CML must include in your gross income the Fair Market Value of the benefits provided to your domestic partner. This is known as imputed income and it will likely affect your taxable income and increase your tax liability. The Fair Market Value of CML's health, vision and dental benefits are provided by our insurance broker, Mercer.

You are responsible for determining the tax dependent status of dependents, including your domestic partner, when you add them to your insurance coverage. You may wish to consult with a tax advisor regarding your situation. Your own health insurance premium will continue to be deducted on a pre-tax basis.

Imputed income will have no impact on reported earnings for your Ohio Public Employee Retirement System (OPERS) account.

**\*Please Note:** The information presented in this material has been prepared to assist you in understanding the tax consequences associated by adding a domestic partner to your health, vision and/or dental insurance. No guarantee or contract is created by this material. The information in this document does not constitute legal advice.

Additionally, by reading this document **you acknowledge that you understand that the taxes withheld and paid on my behalf by the library may be impacted by the insurance coverage I have chosen for my Domestic Partner.**

