

Frequently Asked Questions about Health Insurance Coverage for Domestic Partners in New York City and Surrounding Counties (DPs)

Question: Why should businesses and organizations offer health insurance coverage to DPs of employees?

Answer: Offering equitable fringe benefits to all employees is a way to attract and retain the workforce needed to be as successful as possible.

Question: How do businesses and organizations make DP coverage available to employees?

Answer: Some insurers require employers to request that a simple no cost DP rider be added to their existing policies at the beginning of coverage or at the time of renewal. For other insurers, DP coverage is automatic and written into all group plans. Check with your insurance agent or broker, contact your insurer directly, or see the table below to determine what needs to happen for businesses to offer coverage to DPs of employees.

Insurer	How Small Businesses Can Obtain Health Insurance Coverage for DPs of Employees*
Aetna	Automatic – incorporated into all small group plans
Atlantis	Request that a DP rider be added to small group plan at the beginning of coverage or at the time of renewal
CIGNA	Automatic – incorporated into all open access small group plans
Empire (Blue Cross Blue Shield)	Automatic – incorporated into all small group plans
GHI	Automatic – incorporated into all small group plans
Health Net	Request that a DP rider be added to small group plan at the beginning of coverage or at the time of renewal

<p>Healthy NY and Brooklyn HealthWorks</p>	<p>Request that a DP rider be added to small group plan at the beginning of coverage or at the time of renewal</p>
<p>HIP</p>	<p>Request that a DP rider be added to small group plan at the beginning of coverage or at the time of renewal</p>
<p>Oxford</p>	<p>Request that a DP rider be added to small group plan at the beginning of coverage or at the time of renewal</p>
<p><i>*Large businesses should check with their health insurance agent or broker or contact their insurer directly to determine what needs to happen to offer coverage to DPs of employees.</i></p>	

Question: How do insurers determine eligibility for DP coverage?

Answer: Requirements vary among insurers. All insurers, however, require proof that DPs are financially interdependent and most require that DPs live together for at least 6 months. In addition, insurers typically require DPs to sign an affidavit acknowledging their relationship and/or show proof they have registered their relationship in the jurisdiction or municipality where they reside. For information on how to register a domestic partnership in NYC, call 212.669.2400 or go to:
<http://nycmarriagebureau.com/MarriageBureau/index.htm?DomesticPartnership.htm>

Question: When can DPs be added to a health plan?

Answer:
 NEW EMPLOYEES-Generally employers may add coverage for a new employee's eligible DP at the same time the employee is added to a group's plan, i.e., after any applicable waiting period has expired.
 OTHERS-Depending on the insurer, employers may add an employee's DP within 30 days of a qualifying event, e.g., upon registering a domestic partnership. Some insurers may require employees to wait until the next open enrollment period to add an eligible DP.

Question: Can children of DPs be covered?

Answer: Yes. Dependent children of a covered DP may be added to a health plan and are governed by the same terms and conditions as other dependent children.

Question: Do employers have to pay extra to cover DPs and their children?

Answer: If an employer voluntarily offers DP coverage, the cost is no more than adding a spouse or other dependent children.

Question: Can sole proprietors obtain DP coverage?

Answer: Yes. New York State insurance law allows (but does not mandate that insurers provide) DP coverage for sole proprietors. Currently sole proprietors may obtain DP coverage through [GHI](#) (800.444.2333) and the following special health insurance options:

- o [Brooklyn HealthWorks](#): 718.596.4550
- o [Freelancers Union](#): 718.222.1099
- o [Healthy NY](#): 866.432.5849
- o [LIA Health Alliance](#): 800.542.5513
- o [Staten Island Wrap](#): 718.727.1900 ext. 20

Question: Can individuals obtain DP coverage?

Answer: No. New York State insurance law currently does not allow DP coverage for individuals obtaining health insurance outside of group plans.

Question: Are DPs eligible for COBRA coverage?

Answer: Federal law allows employers with 20 or more employees to extend COBRA coverage to DPs with the approval of their insurance carrier or HMO. New York State's mini-COBRA law requires employers with fewer than 20 employees to extend COBRA coverage to DPs.

Question: What are the tax differences between health care benefits for spouses and DPs?

Answer: The money paid by an employer for DP health care benefits is income that is taxable. However, DP benefits may be considered non-taxable if the DP meets the IRS definition of a "dependent." IRS Code Section 152 defines a dependent as someone who resides in the employee's household and who receives at least half of their support from the employee.

Question: What about employment taxes, such as Social Security (FICA)?

Answer: To the extent that DP benefits are considered taxable income, they will also be treated as wages subject to FICA taxation.

Question: Can employers deduct the cost of providing DP benefits along with other forms of employee compensation?

Answer: Yes. The corporate tax deductions allowed for other benefit plans are also available to employers providing DP benefits.

Question: What do I need to know about DPs and health savings accounts (HSAs)?

Answer:

HSA ACCOUNTS: Unlike a spouse, a DP's health coverage will generally not affect an individual's ability to contribute to an HSA. Because no rule requires DPs to divide an HSA contribution in the manner that married individuals are required to, a DP who is covered under an account owner's high deductible plan can open their own HSA and contribute the statutory maximum.

TAXES: Unlike coverage for a spouse, the federal tax code does not permit tax-free distributions from HSAs for DP medical expenses—unless a DP is considered to be a dependent under IRS Code Section 152. To avoid this tax liability, DPs should set up separate HSA accounts.

If you have additional questions about DP health insurance coverage, please contact the Office of Citywide Health Insurance Access at 212.331.4247.