

Table of Contents

Questions and Answers

| | |
|------------------------------------|----|
| Introduction | 1 |
| Relationships | 1 |
| Legal Status | 2 |
| Benefits | 5 |
| Laws | 12 |
| Tax Issues | 16 |
| Administrative Issues | 18 |

Chapter 1: Introduction

| | |
|---|----|
| Why Domestic Partner Benefits? | 23 |
| Determining Whether To Offer Domestic Partner Benefits | 24 |
| Demographic Trends | 25 |
| Employer Receptivity..... | 25 |
| Nondiscrimination..... | 27 |
| Employee Relations | 27 |
| Recruitment and Retention | 28 |
| Opposition | 28 |
| Cost | 29 |
| Participation | 30 |
| Conflicting Mandates | 30 |
| Footnotes to Chapter 1 | 31 |

Chapter 2: Same-sex Partnerships

| | |
|--|----|
| Legal Status | 34 |
| Civil Unions | 35 |
| Background | 35 |
| Where Civil Unions Exist | 36 |
| Rights Under Civil Unions | 38 |
| Recognition | 46 |
| Impact on Benefits Plans | 46 |
| Dissolution | 48 |
| Abuse | 50 |
| Reciprocal Beneficiaries | 51 |
| Eligibility | 51 |
| Registration | 52 |
| Termination | 52 |
| Domestic Partner Registries | 52 |
| Where Registries Exist | 55 |
| Rights Registries Confer | 56 |
| Footnotes to Chapter 2 | 61 |

Chapter 3: Same-sex Marriage

| | |
|--|----|
| Uncertain Legal Climate | 64 |
| Federal Developments | 65 |
| Constitution..... | 65 |
| DOMA..... | 65 |
| Legislation | 66 |
| State Developments | 67 |
| Constitutions | 67 |
| DOMAs..... | 71 |
| Legal Marriage | 72 |
| ‘Civil Disobedience’ Marriages..... | 76 |
| International Developments | 78 |
| Benefits | 79 |
| Benefits Offered to Same-sex Spouses..... | 79 |
| What Benefits Can Be Offered to Same-sex Spouses..... | 80 |
| Non-ERISA Benefits | 85 |
| Benefits That Cannot Be Offered to Same-sex Spouses..... | 86 |
| Interaction With Domestic Partner Benefits | 86 |
| Administrative Issues | 87 |
| Footnotes to Chapter 3 | 88 |

Chapter 4: Relevant Laws

| | |
|--------------------------------------|-----|
| Federal Laws | 92 |
| Defense of Marriage Act | 92 |
| ERISA | 92 |
| Family and Medical Leave Act | 93 |
| Pension Protection Act of 2006 | 93 |
| COBRA | 94 |
| State Laws | 95 |
| State Constitutions | 95 |
| Nondiscrimination Laws | 96 |
| Domestic Partner Rights Laws | 99 |
| California Developments | 99 |
| Insurance Laws | 101 |
| Contracting | 103 |
| Effect on Plan Design | 104 |
| Municipal Laws | 104 |
| Equal Benefits Ordinances | 105 |
| The San Francisco Ordinance | 106 |
| Other City Ordinances..... | 110 |
| Footnotes to Chapter 4 | 111 |

Chapter 5: Benefits

| | |
|---|-----|
| ERISA Benefits | 114 |
| ERISA Welfare Benefits | 115 |
| VEBA Coverage | 118 |
| ERISA Pension and Retirement Benefits | 119 |
| Non-ERISA Benefits | 120 |

Death-related Benefits 121
 Bereavement Leave 121
 Death Benefits 122
FMLA-style Leave 122
 Parental Leave 123
 Caring for Family Members 123
Challenging Benefits Arrangements 124
 Cafeteria Plans 124
 Dependent Care 125
 Health Reimbursement Arrangements 126
 Health Savings Accounts..... 127
 Life Insurance 127
 Tuition Assistance 127
 Adoption Assistance 128
Footnotes to Chapter 5 130

Chapter 6: Plan Design

Definitions 132
 Defining ‘Domestic Partner’..... 132
 Defining ‘Spouse’..... 133
 Qualification Criteria..... 134
Design Strategies 137
 Partnership Status..... 138
 ERISA 139
Cost..... 141
 What an Employer Can Do 142
Determining Scope of Coverage 142
 Employee Surveys 143
 Same-sex vs. All Domestic Partners..... 143
Documentation 145
 Proof of Partnership 145
Footnotes to Chapter 6 152

Chapter 7: Plan Administration

Plan Documents 154
 Amending Plan Documents 155
 Same-sex Marriage 155
 Plan Forms 156
Payroll and Withholding..... 157
COBRA Rights..... 157
Privacy 159
 What an Employer Should Do 159
 Family and Medical Leave Act..... 159
Claims 160
 Interaction With Insurance Companies and HMOs..... 160
Communication..... 163
 The Idea Stage 163
 The Decision Stage..... 164

| | |
|---|------------|
| The Enrollment Stage..... | 164 |
| The Implementation Stage and Beyond | 165 |
| Model Launch..... | 166 |
| Communication | 167 |
| Discrimination Policies..... | 167 |
| Footnotes to Chapter 7 | 168 |

Chapter 8: Tax Treatment

| | |
|---|------------|
| Inclusion in Income..... | 171 |
| Dependent Status..... | 171 |
| Spousal Status..... | 172 |
| Fair Market Value | 172 |
| The IRS Position | 173 |
| State Tax Treatment | 174 |
| Addressing Tax Consequences..... | 175 |
| Civil Unions..... | 175 |
| Tax Gross-ups | 175 |
| Consequences for an Employer | 176 |
| Dependent Status..... | 177 |
| State Taxes | 180 |
| Retirement Benefits..... | 181 |
| Footnotes to Chapter 8 | 181 |

Appendix A: Statutes

| | |
|---------------------------------|------------|
| Federal Statutes | 183 |
| Abstracts | 183 |
| Full Texts | 185 |
| State Statutes | 191 |
| Abstracts | 191 |
| Full Texts | 193 |
| Municipal Statutes | 213 |
| Abstracts | 213 |
| Full Texts | 214 |

Appendix B: Rulings

| | |
|-----------------------------|------------|
| Federal Rulings..... | 217 |
| Abstracts | 217 |
| Full Texts | 219 |
| State Rulings | 227 |
| Abstracts | 227 |
| Full Texts | 229 |

Appendix C: Court Decisions

| | |
|------------------|-----|
| Abstracts | 237 |
| Full Texts | 244 |

Appendix D: Guides

Guides 255
Documents and Information257
Glossary.....259
Index 263

