



NOVA SOUTHEASTERN UNIVERSITY
Domestic Partner Tax Dependent Verification Form

Employee:

Last Name First Name M.I. NSU ID # (N#)

Domestic Partner:

Last Name First Name M.I. SSN

Partner's Dependent Children:

Last Name First Name M.I.

Last Name First Name M.I.

Last Name First Name M.I.

Last Name First Name M.I.

Last Name First Name M.I.

DECLARATION

To be completed by employee

I have read the information regarding taxation of domestic partner health benefits below. Based on consultation with a tax advisor and review of IRS Publication 501:

Please read carefully and check one:

I hereby certify that the above named domestic partner or domestic partner and children whom I am enrolling for health insurance coverage do qualify as dependents under IRC Section 152 (as modified by 105(b)) for the tax year. I understand that falsely certifying dependency status could result in disciplinary action up to an including termination of employment, as well as potential charges of tax fraud. I further agree to notify NSU immediately of any change in this tax status.

I hereby certify that the above named domestic partner or domestic partner and children whom I am enrolling in health insurance coverage do not qualify as dependents under IRC Section 152 (as modified by 105(b)) for the tax year. I understand that the fair market value of group health insurance coverage provided by NSU to cover my domestic partner and his/her children will be treated as taxable income to me. I further understand that the portion of premiums I pay for this coverage must be paid for on an after tax basis.

Signature of Employee:

Date:

Checklist for tax-free employer health plan benefits:
Complete the checklist below and return with the domestic partner verification form above

This checklist will help determine if your spouse, domestic partner, or other dependents can be covered by your employer's group health plan on a tax-free basis. Your plan's eligibility provisions will determine if these individuals are eligible for coverage at all; the checklist merely determines the taxation of that coverage. This checklist applies only to the federal tax treatment of employer-provided health benefits. It does not address state taxation of these benefits.

Caution: The checklist doesn't apply to your children if:

- you are divorced, legally separated, or living apart from the other parent during the last six months of the calendar year, or
- they can be claimed as "qualifying child" dependents by two or more people.

If your children fall into either of these categories, talk to your tax advisor to determine whether their health benefits can be tax-free.

Spouses

If the person you're covering is:

- Your opposite-sex spouse, coverage is tax-free and contributions can be pre-tax
- Your same-sex spouse, go to Test 1 below to see if coverage is tax-free

Test 1 (Use this test if the person you're covering is a dependent, domestic partner, or same-sex spouse)

- If you can claim an exemption on your federal taxes for this person, then the coverage is tax-free and your contributions can be pre-tax. [Not sure if you can claim an exemption for this person? See IRS Publications 501 and 17]
 - If you can't claim an exemption for this person or aren't sure if you can claim an exemption, go to Test 2 below.
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Test 2 (Use this test if the person you're covering is a dependent, domestic partner, or same-sex spouse and can't satisfy Test 1)

Check any of the following boxes that apply:

- This person is either:
 - A. your child (by birth or adoption), stepchild, or foster child; or
 - B. your sibling, step-sibling; or
 - C. a descendant of someone listed in A or B
- This person lives with you for more than half the year

- This person is either:
 - A. a US citizen, national, or resident; or
 - B. a resident of Canada or Mexico; or
 - C. a child being adopted by a US citizen or national who shares that individual's home as a member of the household
- This person doesn't provide more than half his own support for the year
- This person is either:
 - A. age 18 or younger for the entire calendar year; or
 - B. age 23 or younger and a full-time student for the entire calendar year; or
 - C. permanently and totally disabled at any time during the calendar year (regardless of age)

If you checked all the boxes, then coverage is tax-free and your contributions can be pre-tax. If not, go to Test 3.

Test 3 (Use this test if the person you're covering is a dependent, domestic partner, or same-sex spouse and can't satisfy Tests 1 or 2.)

Check any of the following boxes that apply.

- You provide more than half this person's support during the calendar year.
- This person is either:
 - A. a US citizen, national, or resident; or
 - B. a resident of Canada or Mexico; or
 - C. a child being adopted by a US citizen or national who shares that individual's home as a member of the household
- This person can't be claimed as anyone's "qualifying child" dependent
- This person is either:
 - A. your relative, or
 - B. unrelated to you but lives with you for the entire calendar year as a member of your household and the relationship isn't in violation of local law.

If you checked all the boxes, then coverage is tax-free and your contributions can be pre-tax. If not, then you will be taxed on the employer contribution toward this person's coverage and your contributions must be after-tax.

INFORMATION REGARDING TAXATION OF DOMESTIC PARTNER HEALTH BENEFITS

A domestic partner and their dependent children may qualify as Internal Revenue Code Section 152 dependents (as modified by 105(b)) of an employee provided certain qualifying conditions are met. If qualified under IRC Section 152, health insurance coverage provided by an employer is not subject to federal income tax. Additionally, such coverage can be provided on a pretax basis and claims can be reimbursed through a health care flexible spending account.

If domestic partners do not qualify as dependents under Section 152 (as modified by 105(b)), the value of employer-provided health care coverage provided is not excludable from the employee's gross income under Code Sections 105 and 106 and therefore must be taxed and premiums for domestic partner and domestic partner's children must be paid on an after-tax basis.

A plan can be disqualified if an employee's health coverage for domestic partners is paid for on a pre-tax basis for a domestic partner who is not a tax dependent for health coverage purposes or if the employer pays the premiums for the domestic partner without imputing income to the employee.

Generally, to qualify as an IRC Section 152 dependent (as modified by 105(b)) of an employee during a given tax year, the domestic partner and partner's children must be a "qualifying relative" of the employee. To be a "qualifying relative", the domestic partner must meet the following requirements:

1. have the same principal place of abode as the employee for the full tax year (January 1 through December 31), except for temporary absences such as vacation, military service, or education. Unless the domestic partnership commences precisely on January 1, the domestic partner and their children cannot be considered a Section 152 dependent during the first year of the relationship. Similarly, if the partnership dissolves other than on December 31, for reasons other than the death of the domestic partner, the tax exclusion is lost for the entire year. If the relationship terminates due to the death of the partner, the partner would continue to be treated as a dependent for the entire tax year;
2. be a member of the employee's household for the entire calendar year (and the relationship must not violate local law);
3. receive more than half of his or her support from the employee*;
4. not be the employee's (or anyone else's) "qualifying child" under Code Section 152; and
5. Be a U.S. citizen, U.S. national, or a resident of U.S., Canada, or Mexico.

*The rules for determining whether the domestic partner receives more than half of his or her total support from the employee are complicated and more involved than just determining who is the "primary breadwinner." Total support includes amounts spent to provide food, lodging, clothing, education, medical and dental care, recreation, transportation, and similar necessities. In IRS Publication 501, the IRS provides a Worksheet that can be utilized for determining whether an individual meets the support test required to be a qualifying relative (available at <http://www.irs.gov/pub/irs-pdf/p501.pdf>). **Employees are encouraged to consult with a tax advisor to determine whether they satisfy these requirements.**