

Class I Dependent Eligibility Criteria – Domestic Partner

Eligibility for Coverage under the UnitedHealthcare (UHC) Premier PPO Plan, UHC Standard PPO Plan, CIGNA Premier PPO Plan, CIGNA In–Network Plan, Dental Plans, and Vision Care Plan

If you are the primary member under the Plan, your Class I dependents eligible for membership include:

- Domestic partner who meets **all** of the following requirements:
 - Is the same gender as employee,
 - Shares significant financial resources and dependencies,
 - Has resided with employee continuously for at least 6 months in a sole–partner relationship that is intended to be permanent,
 - Is unmarried,
 - Is not related to employee by blood (e.g., brothers, sisters, parents, children, cousins, nieces, uncles), and
 - Is at least 18 years of age.
- Unmarried child¹ of your domestic partner under age 19, including legally adopted children
- Unmarried child of your domestic partner age 19 and over but under age 24 who is “financially dependent”² on you
- Unmarried child of your domestic partner of any age who, because of physical or mental impairment,
 - Is incapable of self–sustaining employment; an individual is permanently and totally disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months;
 - Lives with you, in an institution or in a home that you provide; and
 - Is financially dependent on you.

Note: The carrier determines if the applicant is disabled. Please contact Sandia’s Benefits Customer Service Center at (505) 844–HBES for more information on enrolling your child as an incapacitated dependent.

- Unmarried child who is recognized as an alternate recipient in a “qualified medical child support order” (QMCSO)³

¹ A child is defined as the domestic partner’s own child or legally adopted child; adopted child (if the placement agreement and/or final adoption papers have been completed and submitted to the Sandia BCSC); stepchildren of the domestic partner living with the primary insured (stepchildren visiting for the summer are not considered to be living with you); child for whom your domestic partner has legal guardianship; or a child, if a court decree requires that you provide coverage.

² Financially dependent means that a person receives greater than 50% of their financial support for the calendar year from the primary member.

Note: For domestic partner's dependent(s) to be eligible, your domestic partner must meet all of the eligible criteria for Sandia-sponsored coverage, even if he or she is not enrolled.

Eligibility for Coverage under the Kaiser Permanente HMO Plan

If you are the primary member under the Plan, your Class I dependents eligible for membership include:

- Domestic partner who meets all of the following requirements:
 - Is the same gender as employee;
 - Shares significant financial resources and dependencies;
 - Has resided with employee continuously for at least 6 months in a sole-partner relationship that is intended to be permanent;
 - Is unmarried;
 - Is not related to employee by blood (e.g., brothers, sisters, parents, children, cousins, nieces, uncles); and
 - Is at least 18 years of age.
- Your or your domestic partner's unmarried children (including adopted children) who are under age 24;
- Other unmarried dependent persons (dependents of domestic partner) who meet **all** of the following requirements (excluding foster children):
 - He or she is under age 24,
 - He or she receives from you or your domestic partner all of his or her support and maintenance,
 - He or she permanently resides with you (the primary member),
 - You or your domestic partner is the court-appointed guardian (or was before the person reached age 18) or whose parent is an enrolled dependent under your family coverage.
- Your domestic partner's dependents who meet the eligibility requirements stated above, but exceed the age limit for dependents, may be eligible if the following additional requirements are met:
 - He or she is incapable of self-sustaining employment because of mental retardation or physical handicap that occurred prior to reaching the age limit for dependents
 - He or she receives from you or your domestic partner substantially all of his or her support and maintenance
 - You give Kaiser Permanente proof of the dependent's incapacity and dependency within 31 days after it is requested

Note: Kaiser Permanente determines if the applicant is disabled. Please contact Sandia California Benefits Office at 925-294-2254 for more information on enrolling your child as an incapacitated dependent.

³ A qualified medical child support order (QMCSO) is a court-ordered judgment, decree, order, or property settlement agreement in connection with state domestic relation law that either (1) creates or extends the rights of an "alternate payee/recipient" to receive the reimbursement from the Plan or (2) enforces certain laws relating to medical child support.

- As determined by Sandia, eligible family dependents of deceased employees may continue coverage according to Sandia's established policies.
- Unmarried child who is recognized as an alternate recipient in a "qualified medical child support order" (QMCSO)³

Please Note: For domestic partner's dependent(s) to be eligible, your domestic partner must meet all of the eligible criteria for Sandia-sponsored coverage, even if he or she is not enrolled.

Imputed Income

The IRS ruled that benefits paid under a group health plan for a domestic partner who would not qualify as a spouse under state law or as a dependent under the Internal Revenue Code (IRC) causes the employee to receive additional compensation as taxable wages. The employee is required to declare as taxable income the value of the domestic partner's coverage and domestic partner's dependent coverage. Imputed income is not a pay increase. It is the value of Sandia's contributions for health coverage for dependents that are not your tax dependents. The imputed income will be added to your gross income and will be subject to FICA (Social Security and Medicare) and income taxes. This amount will be reported on your annual Form W-2.

The definition of a *tax dependent* is set forth in the IRC. If you have questions about whether your domestic partner or dependents are your tax dependents, please consult with the IRS or your tax advisor.

Please thoroughly review the imputed income information and examples in the Domestic Partner Benefits Packet, as there may be significant financial implications. The packet is available on the Open Enrollment website, <http://www.sandia.gov/resources/emp-ret/corpforms/4400dpa.doc>, or you may contact the Benefits Customer Service Center at 505-844-HBES.

Please Note: Sandia is neither suggesting nor requiring that a domestic partner and/or a partner's dependent is a tax dependent of the employee.

¹A child is defined as the primary member's own child or legally adopted child; adopted child (if the placement agreement and/or final adoption papers have been completed and submitted to the Sandia BCSC); stepchildren living with the primary insured (stepchildren visiting for the summer are not considered to be living with you); child for whom you have legal guardianship; or a child, if a court decree requires that you provide coverage. If your dependent does not qualify as a dependent under Internal Revenue Code Section 152, contact the Benefits Customer Service Center for information

²Financially dependent means that a person receives greater than 50% of their financial support for the calendar year from the primary member

³A qualified medical child support order (QMCSO) is a court-ordered judgment, decree, order, or property settlement agreement in connection with state domestic relation law that either (1) creates or extends the rights of an “alternate payee/recipient” to receive the reimbursement from the Plan or (2) enforces certain laws relating to medical child support.

Enrolling and Disenrolling Domestic Partner Dependents for Medical, Dental, and Vision Coverage

If you want to add a domestic partner or a dependent of your domestic partner dependent to your coverage under your UHC Premier PPO Plan, UHC Standard Plan, CIGNA Premier PPO Plan, CIGNA In-Network Plan, Kaiser Permanente HMO Plan, Dental Expense and Dental Deluxe Plan, or Vision Care Plan, you must submit the required documents as outlined below during the Open Enrollment period. The information is kept in strict confidence, as is all employee benefit information.

1. Domestic Partner Dependent Change Form

You must submit a Domestic Partner Dependent Change Form. This can be obtained from the Open Enrollment website, <http://www.sandia.gov/resources/emp-ret/corpforms/4400dpa.doc>, or from the Benefits Customer Service Center, 505-844-HBES.

2. Affidavit of Domestic Partnership

You will be asked to submit an *Affidavit of Domestic Partnership* affirming your relationship. This affidavit can be obtained from the Open Enrollment website, <http://www.sandia.gov/resources/emp-ret/corpforms/4400dpa.doc>, or from the Benefits Customer Service Center, 505-844-HBES. You and your domestic partner must sign this form, and the form must be notarized.

3. Proof of Family Relationship

If your domestic partner has a legally adopted child, you will need to submit copies of the placement agreement and/or final adoption papers.

4. Supporting Domestic Partnership Documents

If you enroll a domestic partner and/or a domestic partner’s dependent, you will also be asked to provide supporting documentation of your domestic partnership that must include copies of one of the following items:

- Driver's license for both partners showing same address,
- Utility bill for primary residence with same address for both partners,
- Primary residence mortgage or lease document showing both partners involved in transaction,
- Income tax returns for both parties showing same address, or
- If in California, a State of California "Declaration of Domestic Partnership."

Notes: You can only add a dependent to your coverage outside of Open Enrollment based on an eligible mid-year election change event (e.g., birth, adoption). If you add a dependent during Open Enrollment, coverage will become effective January 1, 2007.

If you do not enroll a dependent because the dependent has other medical coverage and your dependent involuntarily loses eligibility for that coverage, you may be able to enroll the dependent in your medical plan provided that you request enrollment within 31 calendar days after the other coverage ends.