

# SCREEN ACTORS GUILD-PRODUCERS HEALTH PLANS

## QUALIFIED DOMESTIC PARTNER HEALTH COVERAGE Questions And Answers

### 1. WHAT IS DOMESTIC PARTNER COVERAGE?

Qualified Domestic Partner health coverage allows Participants to enroll their same-sex domestic partners for Health Plan coverage with the Screen Actors Guild - Producers Health Plan. The rules regarding coverage of domestic partners are similar to the rules that apply to other dependents of Participants, although there are several important distinctions which are briefly addressed below.

### 2. DO MY PARTNER AND I QUALIFY AS DOMESTIC PARTNERS?

A domestic partnership, for purposes of coverage by the Health Plan, is a committed same-sex relationship that has been in existence at least 6 months. A domestic partnership must include financial interdependence and intent by both partners that the relationship be permanent.

You are not domestic partners if either you or your partner are under 19 years old, has a spouse or other domestic partner, or if you are related by blood closer than the law would permit for marriage.

### 3. HOW DO WE PROVE OUR DOMESTIC PARTNERSHIP STATUS TO THE HEALTH PLAN?

Both the Participant and the domestic partner must sign the Plan's Affidavit of Domestic Partnership under penalty of perjury before a notary public. Also, you must provide the Health Plan with certified copies of your birth certificates and three specific items of evidence listed under item #6 in the Affidavit of Domestic Partnership.

After your domestic partner has been approved for coverage, the Health Plan will send annual statements asking you to verify that your relationship still exists.

4. WILL MY PARTNER OR I HAVE TO PAY FOR COVERAGE?

A. If Participant has Earned or Senior Performer Coverage:

It depends on your eligibility type. If you qualify for the Senior Performer coverage and Medicare is prime, **No**, you do not have to pay the Health Plan premium at this time. However, Senior Performers still need to make the quarterly tax withholding payments for the value of the health benefits unless your Partner qualifies as your dependent for tax purposes. If you have Earned Plan I or Plan II health coverage, you must pay the Health Plan premium **in addition** to paying the applicable tax withholding. **Please Note:** If you do not pay the Health Plan premium for your coverage, neither you nor your Domestic Partner will be eligible for Health Plan coverage.

You must prepay the taxes on the value of the coverage on a quarterly basis. If domestic partner coverage begins in the second or third month of a calendar quarter, the initial tax payment will be pro-rated. The Information Packet contains a chart with the tax amounts. The chart will be updated as the coverage value changes, or as the tax rates of the jurisdictions change. Before you mail your enrollment package, call the Plan Office to verify you are paying the current tax rates.

- If your partner is not your dependent, the value of health coverage is considered wages for tax purposes. The Health Plan's interpretation of the relevant tax laws is that you will owe federal, state and local taxes on the value of the coverage that is provided to your domestic partner.
- If your domestic partner is your dependent, your domestic partner may be a Code Section 152 dependent. A Code Section 152 dependent must be a U.S. citizen or resident alien; live with the participant for the entire tax year; receive over 50% of his or her support from the participant; and be in a relationship that does not violate local law. If you claim your domestic partner as a dependent, you must complete and have notarized the Affidavit of "Dependency". Contact the Plan Office for information regarding the required documents to qualify. Also, see Page 3, item 5.

**B. If Participant has coverage under the Self-Pay Extended Coverage Program:**

Because you are paying a premium for Self-Pay coverage, the value of the coverage is not taxable. However, if you are covered under the Lower Cost Self-Pay Plan, there is no coverage for dependents. You will need to change your coverage to a Basic Self-Pay Plan that includes dependents. Please call the Plan Office to find out the monthly premium for Basic coverage. If you are already covered under a Basic Plan, the monthly premium will not change when you add your domestic partner.

**5. WHAT IS "DEPENDENT" FOR TAX PURPOSES?**

For purposes of the exclusion from income under Sections 105(b) and Section 106 of the Internal Revenue Code, a Code Section 152 dependent must be a U.S. citizen or resident alien; live with the participant for the entire tax year; receive over 50% of his or her support from the participant; and be in a relationship that does not violate local law. You and your Domestic Partner will be required to complete an Affidavit of Dependency and to re-certify your status annually.

**6. WHAT TAXES ARE COLLECTED?**

- Federal Income Tax
- State Income Tax
- City Tax (where applicable)
- Social Security Tax - Employer and Employee (FICA)
- Medicare

**FOR CALIFORNIA PARTICIPANTS ONLY- Assembly Bill 25**

**Read enclosed California Assembly Bill 25 (AB25) Information Sheet on "Declaration of Domestic Partnership."**

**IMPORTANT CALIFORNIA TAX INFORMATION.**

Taxes calculated are based on the Internal Revenue and State tax tables for a single person with zero withholding allowances. They are computed at the beginning of the calendar quarter based on the address shown on your **Performer Information Form**. No adjustments will be made to the quarterly payment due to a change of address and/or eligibility type until the following quarter.

**7. IF I AM A FOREIGN PARTICIPANT ARE TAXES STILL WITHHELD?**

Yes, the following taxes are withheld:

- Federal Income Tax
- Social Security Tax - Employer and Employee (FICA)
- Medicare

**8. WHAT IF WE MOVE?**

You must notify the Plan Office immediately. Moving may affect not only the taxes you owe, but where the Health Plan remits your tax payment.

**9. WHAT INFORMATION AND FORMS MUST BE RECEIVED AT THE PLAN OFFICE BEFORE COVERAGE CAN BEGIN?**

In order to qualify for coverage, the Plan Office must receive all of the following:

- Signed and notarized Affidavit of Domestic Partnership. Photocopied or faxed affidavits are **not** acceptable.
- Certified (recorded) copies of your and your domestic partner's birth certificates.
- Three of the required items in item #6 of the Affidavit of Domestic Partnership. Photocopies are acceptable.

**Documentation submitted must be in excess of 6 months old**

- Signed and notarized Affidavit of "Dependency" **OR** a check for prepayment of taxes. Your first payment should be for the number of months until the start of the next calendar quarter. These items are not required for Self-Pay Participants.
- If you are a Self-Pay Participant enrolled in the Lower Cost Plan, a check for the increase in premium to change your coverage to Basic Plan I or Basic Plan II.

**10. WHEN WILL COVERAGE BEGIN?**

Coverage for your domestic partner will be effective the first of the month following the receipt and approval by the Health Plan of all forms and your tax or Self-Pay premium payment where applicable. Make your check payable to Screen Actors Guild - Producers Health Plan.

**11. WHEN ARE THE QUARTERLY TAX PAYMENTS DUE?**

After the initial payment, which is due with the enrollment materials, payments are due on the first day of the calendar quarter. The Plan Office will send you quarterly bills. A schedule of the due dates appears below.

<u>Calendar Quarter</u>	<u>Payment Due Date</u>
January, February, March	January 1st
April, May, June	April 1st
July, August, September	July 1st
October, November, December	October 1st

**This bill will not include the Health Plan premium amount. Please Note: Tax withholding payments cannot be posted until the quarterly Health Plan premium has been paid.**

**12. WHAT HAPPENS IF WE DO NOT MAKE THE REQUIRED TAX PAYMENTS OR WE PAY THEM LATE?**

If you do not remit the required tax payment on a timely basis, domestic partner coverage will be terminated. Partial payments are not acceptable. There will be a mandatory 6-month waiting period before your domestic partner may re-enroll.

**13. WHAT HEALTH COVERAGE IS AVAILABLE FOR MY DOMESTIC PARTNER?**

For the most part, coverage is the same as coverage provided for a dependent of any Participant. However, there are the following differences:

- A. Coverage is not available for your domestic partner's children.
- B. Your domestic partner does not have an independent right to continue Health Plan benefits under the Self-Pay Extended Coverage Program. However, if you lose Earned Health Plan coverage, you may enroll yourself and your domestic partner in the Self-Pay Extended Coverage Program and pay the monthly premiums for your Basic Plan. Tax withholding payments are not necessary under the Self-Pay Program because you are paying the cost of the coverage.

As with coverage for spouses and other Participants, if your domestic partner is covered by another health plan, coordination of benefits will apply.

**14. IS HEALTH COVERAGE EXTENDED FOR MY DOMESTIC PARTNER IN THE EVENT OF MY DEATH?**

If you die during a period of earned eligibility, coverage will be extended for your domestic partner for any remaining period of earned eligibility, provided appropriate tax withholding payments and Health Plan premiums continue to be made. As noted in Q & A 13b, your partner does not have an independent right to the Self-Pay Extended Coverage Program as a result of your death.

If you die while covered under the Self-Pay Extended Coverage Program or the Senior Performers Health Plan, coverage for your domestic partner will continue for the rest of the month in which you die and for the following month. The appropriate tax withholding payments, Health Plan premiums, or Self-Pay payments must be made.

**15. IS THE HOSPITAL AND MEDICAL CONVERSION OPTION AVAILABLE TO MY DOMESTIC PARTNER WHEN COVERAGE TERMINATES?**

Yes. Application must be made within 31 days of termination.

**16. IS THE TOTAL DISABILITY EXTENSION AVAILABLE TO MY DOMESTIC PARTNER?**

Yes, provided your domestic partner is totally disabled when his or her coverage would otherwise terminate. Health Plan premiums may be required for this coverage to continue.

**17. WHAT HAPPENS UPON TERMINATION OF THE DOMESTIC PARTNERSHIP?**

As stated in the Affidavit of Domestic Partnership, you must file a Statement of Disenrollment, Death or Termination of Domestic Partnership with the Plan Office within 10 days of the termination of the partnership. The Plan Office will mail a notice of termination of Health Plan benefits to your domestic partner informing him or her of the health coverage termination date. Your partner will **not** be eligible for the Self-Pay Extended Coverage Program after the termination of the partnership, however, the conversion option will be available for the first 31 days from the date you state the relationship ended.

**18. IF MY PREVIOUS PARTNERSHIP TERMINATES, MAY I ENROLL A NEW DOMESTIC PARTNER?**

Yes, but the second domestic partnership must have been in existence at least 6 months since the termination of the last relationship. The date that is entered on the Statement of Disenrollment, Death or Termination of Domestic Partnership, will be used as the termination date for eligibility purposes. Also, any subsequent relationship must satisfy all of the requirements of a domestic partnership including the documentation verifying financial interdependence.

**19. WHAT ARE THE PENALTIES FOR INCORRECT OR INCOMPLETE INFORMATION, OR FAILURE TO PROVIDE INFORMATION?**

If you mislead the Health Plan into believing that you are domestic partners when you are not, or if you fail to timely notify the Health Plan of the dissolution of your domestic partnership, each of you will be jointly and individually responsible for reimbursement to the Health Plan for benefits and expenses, including interest, attorney's fees and other costs of collection as a result of your statement, actions, or failure to notify the Health Plan. The Health Plan also reserves the right to offset any/all future health or Life Insurance benefits that are payable until the over-paid claims are reimbursed in full.

In addition, filing a false affidavit with the Health Plan may be a criminal offense.

**20. HOW LONG WILL THIS PROGRAM LAST?**

Qualified Domestic Partner health coverage, as with all benefits under the Health Plan, will be reviewed periodically by the Trustees of the Plan. The Trustees may decide at any time to continue, change, or terminate any benefit, including this one.

**If you have any questions regarding this information, do not hesitate to call the Plan Office before you submit your enrollment package. We will be more than happy to answer any questions you may have.**

**(800) 777-4013 (Outside LA Area) or (818) 954-9400**