

PERSONNEL COMMITTEE AGENDA
Monday, July 8, 2013 – 6:35 p.m.
(or immediately following previously scheduled meeting)
Lincoln Center – 1519 Water Street

[A quorum of the City Council may attend this meeting]

1. Discussion and possible action on the City Assessor's Office and re-filling the Assessor position.
2. Discussion and possible action on guidelines relating to Domestic Partnership Coverage on the City's High Deductible Health Plan.
3. Adjournment.

Any person who has special needs while attending this meeting or needs agenda materials for this meeting should contact the City Clerk as soon as possible to ensure a reasonable accommodation can be made. The City Clerk can be reached by telephone at (715) 346-1569, TDD # 346-1556, or by mail at 1515 Strongs Avenue, Stevens Point, WI 54481.

Copies of the ordinances, resolutions, reports and minutes of the committee meetings are on file at the office of the City Clerk for inspection during normal business hours from 7:30 AM to 4:00 PM.

July 2, 2013

MEMORANDUM

TO: Personnel Committee Members

FROM: Andrew Beveridge, City Attorney

RE: Domestic Partner Health Benefits Program

Attached are the proposed application forms and supporting materials for the Domestic Partner Health Benefits Program. These materials were prepared jointly by the Personnel Director, Comptroller/Treasurer, and City Attorney. Please note that Domestic Partners are NOT required to be the same sex or meet economic requirements such as having a joint checking account, joint ownership of an automobile, etc. These requirements were omitted to avoid the creation or appearance of a discriminatory effect.

If a Committee member moves to approve these documents, Staff suggests that the motion authorize the Personnel Director, Comptroller/Treasurer, and City Attorney to make **non-material** changes to them in case any minor issues are spotted between now and next week's Council meeting.

Domestic Partner Health Care Benefit Information Bulletin

Policy. The City of Stevens Point (the “City”) has elected to offer Employees the ability to insure their Domestic Partners under the health care insurance plan sponsored by the City.

Eligibility. To be eligible for coverage as a Domestic Partner, the Employee and the Domestic Partner must meet the requirements listed on the “Affidavit of Domestic Partnership.” (See attached.) The Employee must meet the requirements for enrollment in the City’s health plan. Employees whose registered Domestic Partner also works for the City must select either one family plan or two single health insurance plans.

Enrollment. In order to insure a Domestic Partner, the Employee must enroll that individual with the Personnel Office by completing the Affidavit for Domestic Partnership form that is attached to this document. This Affidavit needs to be filed only once. It is the Employee’s responsibility to notify the City’s Personnel Office if a Domestic Partner relationship ends. A new Affidavit would have to be filed if another relationship comes into existence in the future and the Employee could enroll their Domestic Partner subject to a Waiting Period as described below.

Preexisting Conditions. Partners seeking health care coverage under the Domestic Partner program must meet the requirements regarding preexisting conditions and certificates of prior coverage listed in the City’s health plan.

Premium. When a Domestic Partner is registered for insurance, the Employee will be required to pay a family premium for the insurance coverage. The City contribution to the premium shall be the same as the City contribution for employee family coverage for married couples.

Children. Children of either the Employee or his or her Domestic Partner may be insured under any of the health care options, provided they meet the eligibility and enrollment guidelines. If both employees have children, they can each carry a separate family plan but cannot be covered under each other’s family plan.

Date Benefits Become Effective. During the initial implementation, enrollment for insurance will be effective the first of the month following 30 days after the date your affidavit is received and accepted by the Personnel Department. This is the normal time frame for enrollment – (Late enrollments will be subject to the rules for late application that may apply).

Notifications of Changes. The Employee must notify the City’s Personnel Office of any change in the circumstances which have been attested to in the documents qualifying a person for coverage as a Domestic Partner. The employee must notify the Personnel Department as soon as possible, but within 30 days if the domestic partnership is no longer in effect.

Liability for False Statements. If the City suffers a loss because of a false statement contained in the documents submitted in connection with coverage for a Domestic Partner or as a consequence of the failure to notify the Personnel Office of a changed circumstance, the City will be entitled to recover reasonable attorney fees in addition to damages for all such losses.

Termination/Waiting Period. The employees must file a statement with the Personnel Office indicating the relationship has ended within 30 days thereafter. A copy of the termination will be mailed to the other partner unless both parties have signed the termination statement. Following the termination of Domestic Partnership, a twelve (12) month period must elapse before an Employee is eligible to designate a new Domestic Partner. The new Domestic Partner is not eligible for inclusion in the City's health care program until the first of the month following the twelve month waiting period.

Checklist for Domestic Partnership Benefit Registration:

- 1. Complete and submit the Affidavit of Domestic Partnership. You and your partner must meet the qualifications listed in the Affidavit and attest to the same. Filing an Affidavit containing false information may result in denial of Domestic Partnership benefits and possible prosecution.
- 2. Complete and submit the Memorandum of Release and Agreement to Hold Harmless the City of Stevens Point.
- 3. For employees seeking health care coverage for a dependent child or children of a Domestic Partner, complete and submit a Dependent Child/Children of a Domestic Partner form.
- 4. Receive and review the attached Domestic Partner Health Care Benefit Information Bulletin.
- 5. Receive and review the Domestic Partner Tax Implications Bulletin.
- 6. Receive and review the Termination of Domestic Partnership form.

Affidavit of Domestic Partnership

We, _____, and _____
Name of Employee, please print Name of Domestic Partner, please print

Certify that:

1. The effective date of this Domestic Partnership is _____ and that this
Date
Domestic Partnership has been in existence for a period of twelve (12) consecutive months prior to our signature of this Affidavit.
2. We share the common necessities of life.
3. We are not legally married to anyone else.
4. We are at least eighteen (18) years of age or older.
5. We are not related by blood closer than would bar marriage in the State of Wisconsin and are mentally competent to consent to contract.
6. We are each other's sole Domestic Partner and intend to remain so indefinitely and are responsible for our common welfare.
7. We do not have access to other coverage sponsored by an employer or government-provided medical coverage.
8. We understand that Domestic Partners are subject to the same window period governing all other Employees who are covered by or applying for benefit plan coverage. Any children, new Employees, adoptions, new marriages, and Domestic Partnerships are all subject to a thirty (30) day limit on the enrollment period beginning on the date of the event.
9. We agree to notify the City of Stevens Point Personnel Office if there is any change of the circumstances attested to in this Affidavit within thirty (30) days of such change by filing a statement confirming such changes. The written statement confirming such changes shall be provided to the Personnel Office and shall affirm that a copy of the statement has been mailed to the other domestic partner.
10. We agree to notify the City of Stevens Point Personnel Office in the event of termination of this Domestic Partnership within thirty (30) days following such termination by filing a Termination of Domestic Partnership form (see attached). Such form shall be provided to the Personnel Office and shall affirm that a copy of the Termination form has been mailed to the other domestic partner.

11. In the event of a termination of this Domestic Partnership, I _____
Name of Employee, please print
understand that another Affidavit of Domestic Partnership cannot be filed until twelve
(12) months after a Termination of Domestic Partnership has been filed with the City of
Stevens Point.

12. We understand that any person, employer, or company who suffers any loss because of
false statements contained in an "Affidavit of Domestic Partnership" may bring a civil
action against us to recover the losses, including reasonable attorney fees.

13. We understand the information in this affidavit will be used by the Employer for the sole
purpose of determining our eligibility for Domestic Partnership benefits. We further
understand that this information will be held confidential and will be subject to disclosure
only upon our expressed written authorization or pursuant to a court order.

14. We have received and reviewed the attached Domestic Partner Health Care Benefit
Information Bulletin.

15. We have received and reviewed the Domestic Partner Tax Implications Bulletin.

16. We affirm, under penalty of perjury, that the statements in this Affidavit are true and
correct to the best of our knowledge.

Signature of Employee

Signature of Domestic Partner

Employee's Social Security Number

Domestic Partner's Social Security Number

Employee's Date of Birth

Domestic Partner's Date of Birth

Date

Date

Memorandum of Release and Agreement to Hold Harmless the City of Stevens Point

1. Domestic Partnership is not a marital status recognized by the State of Wisconsin or the United States government as having legal basis. Therefore, many legal questions relating to domestic partners remain undetermined. The City of Stevens Point (the "City") allows employees to register domestic partners for health care benefits, but the City will not accept responsibility for conduct between partners during, or after the termination of, a domestic partnership.
2. If an employee elects to change or terminate benefit coverage or either Domestic Partner certifies in writing that the Domestic Partnership has terminated, the City will accept that election or certification as conclusive, regardless of any disagreement by the other Partner. The employee shall pay all taxes applicable on benefits provided to employee's Domestic Partner.
3. In consideration for allowing non-statutorily required benefits to domestic partners, the domestic partners so registered hereby fully release the City from any and all liability that may result from the City complying with the written instructions to register, change benefits or terminate registration or other action affecting a domestic partner in accordance with City policy and procedure. In the event a Domestic Partner brings a civil lawsuit regarding termination or other change in benefits, the Domestic Partner agrees to hold the City harmless for any loss, injury, oversight, negligence, damages, or any other claim for compensation, including attorney fees and costs.

Agreed:

Employee

Date

Domestic partner

Date

For the City of Stevens Point

Date

Witness

Date

Dependent Child/Children of a Domestic Partner

I, [?] the above named Domestic Partner, ^{named in the attached Affidavit of Domestic Partnership} certify that the following individuals *are eligible, dependent children* as defined in the health benefit plan sponsored by my partner's Employer:

Name	Date of Birth	Social Security Number

Domestic Partner Signature

Date

Dependent children must meet all of the plan requirements at the time of enrollment (see City's Summary Plan Description for full details).

"Child(ren)" A *dependent child* until the *child* reaches his or her 26th birthday. The term *child* includes the following *dependents* who meet eligibility criteria listed below:

- An *employee's child* who is under the age of 26;
- An *employee's child* who is a full-time student, if the child was called to federal active duty in the National Guard or in a reserve component of the US armed forces while the *child* was under 26 years of age when attending, on a full-time basis, an institution of higher learning. To qualify, the *child* must apply to an institution of higher education as a full-time student within 12 months from the date the *child* fulfilled his or her active duty obligation;
- An *employee's child* who was continuously covered prior to attaining the limiting age above, who is mentally or physically disabled, unable to sustain his own living, and is still primarily *dependent* upon the employee for support. Such *child* must have been mentally or physically disabled prior to attaining the limited age under the second and third bullets. You must furnish satisfactory proof to the *Plan* Supervisor that the above conditions continuously exist on and after the date the limiting age is reached. The *Plan* may require, at reasonable intervals, subsequent proof satisfactory to the *Plan* during the next two years after such date. After such two-year period, the *Plan* may require such proof, but not more often than once each year;

Definitions below are from City's health plan -

- The *employee's* own blood descendant of the first degree or lawfully adopted *child*, any *stepchild* residing with the *employee*, a *child* placed with the *employee* in anticipation of adoption, a *child* who is an alternate recipient under a QMCSO as required by the federal Omnibus Budget Reconciliation Act of 1993, or any other *child* for whom the *employee* has obtained legal guardianship and who resides with and who is *dependent* upon the *employee* in a regular parent-*child* relationship. A grandchild as long as the *employee's* covered *dependent* is the parent of the grandchild. Coverage for the grandchild will end when the *employee's* covered *dependent* (parent of *child*) turns age 18. The child is not married and either under 19 years of age or a full-time student;
- If a *child* is born to an *employee's* covered dependent, that grandchild of the employee is an eligible *dependent* until the earlier of the date the *employee's* covered *dependent* (who is the parent of the grandchild) reaches age 18 or otherwise no longer an eligible *dependent* under the plan.

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Domestic Partner Tax Implications Bulletin

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The City cannot provide Tax advice, but wants you to be aware of the following. Your choice to cover your domestic partner (DP) under the Stevens Point high deductible health plan, does result in Income Tax as well as FICA and Medicare Tax implications if your partner does not qualify as a legal dependent. The employee shall pay all taxes applicable on benefits provided to employee's DP. These tax implications are outside of the control of the City of Stevens Point.

A. If your domestic partner is not your dependent as defined by the Internal Revenue Code, then City of Stevens Point must:

1. Deduct your employee contribution for your domestic partner's insurance benefits from your pay on an After-Tax basis.
2. Include the City's contribution for your domestic partner's insurance benefits as taxable income to you for state and federal income taxes, and as taxable wages to you for Social Security taxes.

Note: City of Stevens Point will withhold state and federal income taxes, and FICA and Medicare taxes on this contribution. If you need additional income tax withholding to cover your added tax burden, you may complete a new W-4 withholding form, which is available on the City Employee website or from the Finance Department. See your tax consultant for tax advice.

B. Section 152(d) of the Internal Revenue Code states that, a "dependent" may include any individual (other than the employee's spouse) who receives over half of his/her support for the calendar year from the employee, and whose principal place of abode for the year is the employee's home, and who is a member of the employee's immediate household. If you believe your domestic partner is a "dependent" under this definition, you must notify the Personnel and Finance Departments in writing and provide supporting documentation after applying for insurance in order to avoid the tax implications described above.

C. Specifically, domestic partner insurances will result in taxable income for 2013 as follows*:

Income to you:

Family Health less Single Health Insurance premium = \$ 1,224.00/mo
(2,022.00 - 798.00 County contribution)

Additional Annual Taxable Income: \$14,688.00

(*The amounts would be prorated based on the number of months your domestic partner is covered under your plan)

Insurance premiums paid through the Section 125 plan with pre tax dollars cannot include amounts for domestic partner benefits. Employees cannot

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include or pay for any domestic partner benefits from Sec 125 accounts (FSA accounts) per IRS regulations. **In addition, per IRS regulations, you cannot use your Health Savings Account to pay for the health expenses of your domestic partner.** Your domestic partner can open his/her own HSA, but your HSA and your domestic partner's HSA need to be kept separate.

**CITY OF STEVENS POINT
TERMINATION OF DOMESTIC PARTNERSHIP**

This statement must be sent to the City of Stevens Point Personnel Department as soon as possible but within 30 days of termination of the domestic partnership.

A subsequent declaration of domestic partnership can not be filed sooner than 12 months after this Termination of Domestic Partnership form has been received by the City of Stevens Point Personnel Department, certifying the termination of the previous partnership.

EMPLOYEE INFORMATION

NAME:	SOCIAL SECURITY NUMBER:
Street Address:	City, State and Zip:

DOMESTIC PARTNER INFORMATION

NAME:	SOCIAL SECURITY NUMBER:
Street Address:	City, State & Zip:

CERTIFICATION

The undersigned certifies that our domestic partnership was terminated as of _____.
The certification of either partner on this form will be deemed conclusive in the event of a dispute. (Date)

_____ (Employee – Print Name) **	_____ (Domestic Partner – Print Name) **
_____ (Employee Signature)	_____ (Domestic Partner Signature)
_____ (Date)	_____ (Date)

**If you did not obtain the signature of your domestic partner, you must sign below that you have mailed a copy of the termination form to your partner and attach proof of mailing. (NOTE: sending the statement by certified mail and enclosing a copy of the certification is preferred).

Under penalty of perjury, I attest that I mailed a copy of the Termination of Domestic Partnership form to my domestic partner.

Signature _____
Date

RECEIVED BY CITY OF STEVENS POINT	DATE
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