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8547 HOUSE HEALTH EDUCATION & SOCIAL SERVICES

BY DAWN ANFUSO

Consider cost, controls and reasons for implementing domestic-partner benefits.

Today's HR professionals are required to have a vast amount of knowledge on a wide array of topics. Let PERSONNEL JOURNAL help. We'll find the experts to answer questions on the personnel issues important to you. Your colleagues asked:

What issues must I address when considering implementing domestic-partner benefits?

Reese Smith, director of employee benefits at Levi Strauss & Co., which introduced domestic-partner benefits in June 1992, answers:

The first issue is to be clear about why you want to extend benefits to domestic partners. At Levi Strauss & Co., we wanted to align our practices with our non-discrimination policy, which includes non-discrimination based on sexual orientation and marital status.

The issue that most frequently concerns senior executives is the potential cost. Our experience at Levi has shown the cost for a domestic partner to be significantly lower than that for a spouse.

The next most significant issue is

whether to extend benefits to same sex couples only or to both same and opposite sex couples. We extended benefits to both same and opposite sex couples. Had we limited extension to same sex couples only, we would still have had a discriminatory practice and that was unacceptable.

Securing insurance coverage for domestic partners is another issue. We, like many large companies, are self-insured and so we didn't have a problem securing coverage. Smaller companies may have a more difficult time.

The next issue to be faced is defining the eligibility requirements. Our definition includes two people who aren't related, aren't married to anybody else, live together in a committed relationship and are financially interdependent.

There also are administrative issues. Neither contributions nor payments for domestic partners can flow through the 501(C)(9) trust. In addition, the value of the benefit must be calculated as income to the employee.

Finally, you should be prepared to address the reactions from employees, customers and communities.

Ed Mickens, editor of *Working it Out: The Newsletter for Gay and Lesbian Employment Issues* and author of *The 100 Best Companies for Gay Men and Lesbians*, says:

There are three areas that HR people tend to be concerned about. The first is cost. People have great fears about what the costs of domestic partner benefits are. But in fact, now that we have data from case studies, it's been shown repeatedly that domestic partner benefits cost no more than spousal benefits do.

A lot of the fears about costs are fears about AIDS. But only a minority of gay men have AIDS, and lesbians are one of the lowest risk groups. And, even if you do look at the numbers regarding AIDS care, they're remarkably small. The overall lifetime cost of AIDS treatment per patient is estimated at less than \$100,000. Problem pregnancies and chronic heart, lung and kidney diseases cost much more.

In addition, from studies of large companies that have these benefits, only about 1% to 2% of employees actually take advantage of a domestic partner plan. At companies that offer the benefits to all of their unmarried employees, same sex or opposite sex, the usage tends to be higher.

The second area of concern is fear about controlling the system. There's concern about abuse. I often ask HR people or benefits administrators how many of them actually ask employees to produce marriage licenses when applying for partnership benefits. One assumes if you say you're married then you are. Usually the employees just fill out an application which has some sort of affidavit attached to it. Then, if that should turn out to be wrong or inaccurate, the employee gets into a lot of trouble. There's no reason to expect anything different with domestic partner benefits. You create your criteria for eligibility and have the employees sign an affidavit agreeing to the terms. It simply falls under the same safeguards as any other system.

The last issue is one of prejudice. The fact is that there's simply a huge problem of prejudice affecting domestic partner benefits. Insurance companies, for one, have been unconscionably resistant to the whole idea. And employers themselves have failed to recognize that lesbian and gay families are just as important as traditional families. Companies that do show a sense of equality get enormous payback in terms of loyalty and productivity. I'm astonished at how gung-ho employees are when they're offered this kind of thing. They become the company's biggest boosters.

I find that there's a lot of undefined fear about losing clients, but besides the media-hyped Apple Computer case in which Apple ultimately triumphed over naysayers, I haven't seen any example of where a client relationship has interfered. ■

If you have a question that you would like an expert in the field to answer, you may fax it to Dawn Anfuso at 714/751-4106, mail it to PERSONNEL JOURNAL, 245 Fischer Ave. B-2, Costa Mesa, CA 92626, or E-mail it to DA0385@aol.com.

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Domestic Partnership Benefits

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by Mark E. Brossman
and Rebecca K. Kramnick

Employers extending health insurance coverage to "domestic partners" of employees must be concerned with issues related to design, administration and cost as well as possible tax consequences.

Home Box Office and Warner Brothers recently became two of the latest companies to extend health insurance to "domestic partners" of their employees. While health and other employee benefits have traditionally been reserved for spouses of married employees, increasingly, employers are considering extending these benefits to the unmarried partners of their employees.

The trend toward coverage of domestic partners began in 1985 when the city of Berkeley, California first offered health insurance coverage to the unmarried partners of city employees. Since then a growing number of cities and municipalities in California, Oregon and Washington as well as the cities of New York, Boston, Ann Arbor and Minneapolis have begun to offer similar coverage. Lotus Development became the first private employer to offer coverage in 1991, and it has since been joined by Levi Strauss & Company, Apple Computer and MCA, Inc., among other companies. Stanford University, the University of Chicago and the University of Vermont are among the educational institutions with such programs.

While these policies have been hailed as social advancement by some, they have also sparked their share of controversy. Apple Computers' policy recently made headlines when a Texas county, citing concerns over "family values," voted to withhold a tax abatement from an \$80 million office complex Apple planned to build in the community because of the company's policy of extending benefits to domestic partners of its gay and lesbian employees. The county eventually reversed its decision, agreeing to the tax rebate for the planned development.

This article will examine some of the issues facing employers considering domestic partnership benefits: the definition of *domestic partnership* and the administration and costs of programs extending these benefits. The article will then consider the status of legal challenges to compel employer coverage of domestic partners. Finally, the article will consider other legal issues surrounding extension of health coverage to domestic partners, including the tax consequences of such employer action.

Defining the Terms

The definition of *domestic partnership* varies under different employer plans. Apple Computer uses for its definition of a *domestic partner*: "a person over age 18 who shares living quarters with another adult in an exclusive, committed relationship in which the partners are responsible for each other's common welfare."¹ This definition is fairly standard in that it contains: (1) a minimum age requirement; (2) a requirement that the couple live together; (3) a financial interdepen-

dence requirement; and (4) a requirement that the relationship in question be an exclusive one. (Some employers require that the relationship be a "permanent" one.)

Other companies reject the term *domestic partnership* altogether. Levi Strauss & Company extends its health coverage to "unmarried couples," defined as an eligible employee and any other person who live together, are financially interdependent, jointly responsible for each other's common welfare and consider themselves life partners.²

A major distinction in employer definitions of *domestic partnership* is whether the concept is limited to same sex couples. Under the Home Box Office program, for example, health benefits are extended only to same sex couples who can establish that they live together and are financially interdependent. The company has said that it chose not to include unmarried heterosexual couples because they have the option to obtain health benefits through marriage.³ Stanford University made a similar decision in December 1992 to limit its program to same sex couples. A spokesperson for the university said in an interview at that time that the university chose not to address "lifestyle choices" but instead to address "lack of access (to health care) because of sexual orientation."⁴

Other employers, such as Levi Strauss, have extended benefits to unmarried heterosexual couples as well as gay couples. Companies deciding to pursue this option may have concluded that excluding heterosexual couples would violate the company's policy of nondiscrimination on the basis of sexual orientation. Companies ex-

tending benefits only to gay couples may be responding to the lobbying efforts of gay employees that do not appear to have been duplicated outside of the gay community.

Another distinction among employer domestic partnership plans is the extent to which employers offer nonhealth-related benefits to domestic partners. The majority of employers appear to have limited coverage to health care. Apple Computers is one employer that has made day-care center use and fitness center privileges available to domestic partners. Additionally, the company has made bereavement and family leave available to employees with domestic partners on the same terms that the leaves are made available to married employees.⁵

Employers have had the opportunity to consider the applicability of domestic partnership concepts to their leave policies as they adopted family leave policies to comply with the federal Family and Medical Leave Act, effective as of August 5, 1993.⁶ Among other requirements, the act requires covered employers to provide up to a total of 12 weeks of unpaid leave to care for an immediate family member with a serious health condition. The act defines *immediate family* to include "spouse, child or parent." Employers may consider adopting leave policies that go beyond the requirements of the statute to include domestic partners in the definition of *immediate family*.

Administration and Costs of Programs

Employers that offer domestic partnership coverage typically require employees to sign a form or an affidavit attesting to the status of their relationship. For example, Levi Strauss offers an employee 31 days from the formation of a domestic partnership to add his or her domes-

tic partner to the company's medical, dental and vision plans. The employee must sign a form certifying that the couple meets the company's eligibility requirements and must also promise to notify the company if the couple discontinues its relationship.

Although most employers simply require employees seeking the benefit to attest in writing that their relationship with the person to be covered fits the company's definition, other employers require some tangible proof of commitment such as a domestic partnership agreement; a joint mortgage or lease; designation of the partner as a beneficiary for the employee's life insurance, retirement contracts or will; durable power of attorney for property or health care; or joint ownership of property.

If the workplace is located in one of the 12 U.S. cities that have passed ordinances allowing individuals to formally register and dissolve domestic partnerships, an employer might additionally require that an employee and partner register under the ordinance in order to qualify for the benefits.⁷

As corporate extension of health benefits to domestic partners is relatively new, it is difficult to estimate the cost of such programs. A few employers have, however, made their cost estimates public. Apple Computer predicted that less than 1% of the company's 8,500 employees would sign up for the plan, at an overall cost to the plan of less than .5%.⁸ Home Box Office estimated the additional cost to the company to be approximately \$1,300 in taxes and health plan contributions for an employee earning \$50,000. The company predicted that fewer than ten of its 1,600 employees would sign up for the plan.⁹

Employers have also considered as part of their cost projections the possible insurance risks of the individuals likely to be

covered under such policies. In an interview with a campus newspaper, in response to the suggestion that the addition of gay men to the insurance pool might drive up the cost of the university's insurance because of the incidence of HIV-related illness, a Stanford University spokesperson said that the university did not consider such a factor in establishing its policy, adding that some evidence suggests that lesbian partnerships are at a lower risk for AIDS and that married couples can experience health care needs more costly than AIDS such as cardiac cases, transplants, cancers and premature babies.¹⁰

Apple Computers' experience in Texas may inevitably figure into employer decision making regarding domestic partnership policies. After the county's initial rejection of its tax abatement, Apple officials stood by the company policy, saying that as a matter of both "principle and economics" the company would not proceed with its planned building project unless the tax break was reinstated.¹¹ Gay rights groups said the action initially taken against Apple was the first time a government entity had sought to punish a company for a domestic partnership policy, calling the action a reflection of pervasive antigay bias in much of the country.¹²

Legal Status of Coverage

Extension of benefit coverage to domestic partners to date has typically been the result of collective bargaining in the case of city employees and voluntary employer action in the private sector. Attempts by employees to win benefit coverage through legal challenges to employer policies have met with some success.

Domestic partnership benefits were extended to New York City employees in November 1993 as part of a settlement of a lawsuit brought against the city by

The Authors



Mark E. Brossman (left) is a partner in the law firm of Chadbourne & Parke, New York City. He is an adjunct professor at New York University, where he has taught several courses in the CEBS program, and an instructor for the Cornell University School of Industrial and Labor Relations. He has spoken frequently at International Foundation and other educational conferences, co-authored *Social Investing of Pension Funds: For Love or Money*, published by the International Foundation, and has written previous articles for *Employee Benefits Journal* and other publications. Mr. Brossman is a graduate of Cornell University and earned his J.D. and L.L.M. in labor law from New York University School of Law. Rebecca K. Kramnick (right) is an associate in the Employment Law and ERISA Department of Chadbourne & Parke. She received a B.A. from Harvard University and a J.D. from Cornell Law School.



a group of school teachers. In *Gay Teachers Ass'n v. Board of Education of City of New York*,¹³ the teachers claimed that the benefit plans adopted by the New York City Board of Education constituted discrimination on the basis of marital status and sexual orientation under the New York State constitution and state human rights laws because the plans do not provide coverage for unmarried partners of school employees.

The settlement of the New York teachers' case calls for domestic partners and dependents of city employees to be offered health insurance coverage under the same terms and from the same providers as are available to married spouses. The settlement was made possible by a New York State Department of Insurance ruling reversing a policy prohibiting New York insurers from extending health insurance to domestic partners of covered individuals. Under the department's new approach, an insurance company can grant coverage to a domestic partner if the insured makes a showing of mutual dependency, demonstrating the existence of such factors as common ownership of property and sharing of household expenses.¹⁴

To qualify for the benefits under the New York City policy, couples will have to register as domestic partners in the city clerk's office and then submit a registration certificate, a sworn joint declaration of financial interdependence, and two items of proof of the interdependence.¹⁵

Legal challenges to compel private employers to adopt domestic partnership policies have not been successful to date. The U.S. District Court for the Southern District of New York ruled in a 1993 case that AT&T's policy banning discrimination on the basis of sexual orientation did not require the company to extend benefits to the surviving partner of a deceased gay employee.¹⁶

The Southern District found that the terms of the company's sickness death benefits plan limited eligible beneficiaries to legal spouses and to dependent adopted children, stepchildren or relatives of the participant. The court found that the plan did not require coverage of the employee's surviving partner or the surviving partner's natural children, who had resided with the couple for ten of the 12 years of their relationship. In deciding whether to include the employee's do-

mestic partner in the plan, the court deferred to the express terms of the plan, which dictated that the law of the employee's state of residence would determine the legality of the marriage.

The court found that AT&T's nondiscrimination policies did not govern the plan's eligibility determinations. Rather, the court cited a Second Circuit Court of Appeals decision that found that for plans governed by the Employee Retirement Income Security Act (ERISA), employer obligations are exclusively derived from plan documents and summary plan descriptions.¹⁷

The court stated that if the plaintiff's arguments were to prevail, "defining the contours of the 'spousal relationship' would become a complex matter of administration" for employers. The court further stated that such matters would be "better addressed through legislative means or union-management negotiations rather than on an ad hoc basis."¹⁸

The plaintiffs in the AT&T case attempted, unsuccessfully, to rely on the definition of *family* adopted by the New York Court of Appeals in *Braschi v. Stahl Associates Co.*¹⁹ In *Braschi*, a gay man sought to remain in the apartment he had shared for ten years with his partner who, until his death, was the sole named tenant on the lease. The court found that for the purposes of New York regulations barring eviction of a member of a tenant's family who had been living with the tenant, the definition of *family* should not be "rigidly restricted to those people who have formalized their relationship by obtaining, for instance, a marriage certificate or an adoption order."²⁰

The *Braschi* court found that "a more realistic, and certainly equally valid view of a family includes two adult lifetime partners whose relationship is long term and characterized by an emotional and financial commitment and interdependence."²¹ The Southern District in the AT&T case acknowledged the continuing viability of the *Braschi* case in the context of housing and eviction issues but refused to extend the definition of *family* to the health care coverage context.

Tax Consequences

The treatment of domestic partnership benefits under the Internal Revenue Code (the Code) may become a future subject of litigation. Currently, under Section 106

of the Code, the value of employer-provided health care coverage is excludable from an employee's gross income if the coverage is for the employee, the employee's spouse or the employee's dependents as defined by the Code. If this exclusion does not apply, the excess of the fair market value of the medical coverage over the amount paid by the employee for the coverage is includable in the employee's gross income under Section 61 of the Code.

In a series of private letter rulings, the Internal Revenue Service has determined that a domestic partner does not automatically qualify as a *dependent* under the Code.²² Rather, to qualify as a dependent, the domestic partner must receive more than half of his or her financial support from the taxpayer, reside with the taxpayer and be a member of the taxpayer's household. Supporters of domestic partnership benefits have noted that the first of these requirements prevents employees with self-supporting domestic partners from taking advantage of the Section 106 exclusion.

The IRS rulings also state that a domestic partner who is considered a common-law spouse under an applicable state statute would be considered a *spouse* for the purposes of the income exclusion. This ruling will not, however, affect gay and lesbian partners who currently do not qualify for common-law spouse status under the law of any jurisdiction.

COBRA Rights

Employers considering extending health coverage to domestic partners of employees must also consider whether to extend rights under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) to these individuals. Currently, under the Code, employers are required to provide continuing health coverage under COBRA only to "qualified beneficiaries," defined under Section 607(3) of ERISA as the spouse or dependent child of the covered employee. Employers that adopt domestic partnership plans may wish to voluntarily extend COBRA rights to the domestic partners of employees so that the entire health care package offered to employees in domestic partner relationships is equal to that offered to married employees.

(Continued on page 29)

cause it is unsure of the female voters' reaction to such a move.

Employee Stock Plans

Table II gives a summary of the legality of stock plans in each country, along with a commentary on their incidence. In the United States, stock ownership is common, offering several tax incentives. Further, the United States is a market where buying and selling of stock by an individual is a simple and relatively inexpensive task. Contrast that to Europe where, although plans are legal, they are only widespread in the United Kingdom, Ireland and France. In fact, the United Kingdom is the biggest stock market in Europe and offers very generous tax incentives for stock ownership. However, most other countries do not offer similar tax advantages to either the employee or the employer, hence employers' reluctance to set up any plans. Why offer a benefit if it is not appreciated by the employees? Further, in several countries, it is an expensive and daunting task to buy and sell stock. U.S. multinationals with European employees encounter further problems. Employees may not know what the stock is worth because it is not quoted in Europe, or there may be potential exchange rate risk because the stock is quoted in dollar terms. Although the EC does not have any specific legislation on the agenda, it has a desire to encourage the use of stock ownership as a vehicle to widen employees' financial participation in their employers. There are many obstacles to overcome before this is widespread throughout Europe, but the intention is there. This trend is one for the long term, rather than the short term.

Conclusion

In summary, the benefit trends discussed in this article are interrelated with other factors, including cost containment and the role of the EC. The reason for concern about cost containment is the general expectation that local governments will decrease social security benefits as a result of the strain on financing caused by the aging population. The second factor is the EC's objective of imposing single legislation throughout Europe. The EC's influence is evident in the debates on Pan European pension funds, sex equality legislation and, to a lesser extent, on widening stock ownership. The

Country	Comments
Belgium	Legal, but not widespread due to lack of tax incentives and lack of general familiarity with such plans.
Denmark	Legal, but not widespread due to complex requirements for approval.
France	Legal and widespread due to tax incentives available.
Germany	Legal, but not widespread due to lack of tax incentives.
Ireland	Legal and widespread due to the significant tax incentives available prior to 1992 budget. Many incentives now removed.
Netherlands	Legal, but not widespread due to lack of tax incentives.
Spain	Legal, but not widespread due to lack of tax incentives.
United Kingdom	Legal and widespread due to the tax incentives.

combined effect of these factors will place an incremental burden on employees.

Employers will need to be creative in shifting specific benefits to employees who

most need them, rather than offering them to the workforce as a whole, while striving to keep the overall costs to acceptable and affordable levels. -EBJ

Domestic Partnership Benefits (Continued from page 4)

Conclusion

Employers considering extending health coverage and other employee benefits to domestic partners can consult the experiences of an increasing number of employers. As more employers develop such programs and as the outstanding legal issues are resolved through litigation and legislative action, employers will have additional guidance for navigating this rapidly evolving area. -EBJ

Endnotes

1. *Daily Labor Reporter* (BNA), p. A18, February 2, 1993.
2. *Daily Labor Reporter*, p. A9, March 2, 1992.
3. *New York Times*, p. D1, July 2, 1993.
4. Stanford University Campus Report, December 9, 1992.
5. *Daily Labor Reporter*, p. A18, February 2, 1993.
6. Public Law 103-3.
7. Cities that have passed domestic partnership ordinances include West Hollywood,

Los Angeles, San Francisco and Laguna Beach, California; Washington, D.C.; New York City; Takoma Park, Maryland; Ann Arbor, Michigan; Minneapolis, Minnesota; Ithaca, New York; Seattle, Washington; and Madison, Wisconsin. See note, "A More Perfect Union: A Legal and Social Analysis of Domestic Partnership Ordinances," 92 *Columbia Law Review* 1164 (1992).

8. *Daily Labor Reporter*, p. A18, February 2, 1993.
9. *New York Times*, p. D1, July 2, 1993.
10. Stanford University Campus Report, December 9, 1992.
11. *New York Times*, p. A1, December 2, 1993.
12. *Id.*
13. Filed May 2, 1988, Supreme Court, N.Y. County.
14. Letter from Salvatore R. Cunale, New York State Superintendent of Insurance, to New York State Governor Mario M. Cuomo, dated September 28, 1993.
15. Pensions & Benefits Daily (Bureau of National Affairs), November 15, 1993.
16. *Rovira v. AT&T*, 817 F.Supp. 1062 (S.D.-N.Y. 1993).
17. *Moore v. Metropolitan Life Insurance Co.*, 356 F.2d 488 (2d Cir. 1988).
18. *Rovira*, 817 F.Supp. at 1065.
19. 544 N.Y.S.2d 784, 543 N.E.2d 49, N.Y.2d 201 (1989).
20. *Id.*, 544 N.Y.S.2d at 788.
21. *Id.*, 544 N.Y.S.2d at 789.
22. *Priv. Ltr. Rul.* 91-09060 (Dec. 6, 1990), *Priv. Ltr. Rul.* 91-11018 (Dec. 14, 1990), *Priv. Ltr. Rul.* 92-213062 (May 7, 1992).



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PRACTICES

Fourth Quarter 1994

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1994

Domestic Partner Benefits: Employer Considerations

Employers have witnessed and adapted to a continuum of changes over the years, but perhaps in no other area have they been as challenged as in domestic partner benefits. Whether progressive, status quo or somewhere in between, employers are dealing with an issue in transition.

Benefits, employee - Domestic partners

Introduction

Unlike the development of other family-oriented benefits, including child care, flextime, telecommuting, and medical and family leave, the evolution of domestic partner benefits has been and continues to be fraught with controversy. The typically straightforward steps in instituting a new benefit, such as revisiting company policies, obtaining legal input, communicating with participants and setting up administrative changes, can become a battleground of deep-seated religious beliefs and/or ethical convictions. While those controversies are outside the scope of this writing, acknowledging their existence can help employers examine some of the most fundamental questions as to why they provide employee benefits in the first place.

What Is a Domestic Partnership?

In the generic sense, a *domestic partnership* is an ongoing, personal, intimate and committed relationship between two persons of the same or opposite sex who, for whatever reason, are not legal spouses. Persons or entities recognizing domestic partnerships, as well as persons in domestic partnerships, generally agree on a core set of criteria common to and defining these relationships. These include,

but are not limited to: (1) both persons are over age 18, (2) neither person is related by blood closer than permissible by state law for marriage, (3) the couple shares a residence with the intent to remain together indefinitely and (4) the couple is emotionally and financially interdependent. Beyond these criteria, employers may stipulate other conditions that fit their intent in providing domestic partner benefits.

Because there is no standard legal definition of a domestic partnership, the generic definition may be broader than the definition set forth by an employer. The question "What is a domestic partnership?" is different from the question "How does the employer want to define a domestic partnership?" even though the answers to these two questions may be the same. Additionally, the term *domestic partner* is distinct from the concept of *roommate*, which is limited to two (or more) nonrelated adults who merely share living space.

Fourth Quarter Highlights:

- ✓ *Definition of domestic partner*
- ✓ *Costs of domestic partner coverage*
- ✓ *Taxability of domestic partner health benefits*



The Changing American Family

Domestic partnerships are a reality of American life, along with a myriad of other nontraditional families. Single parent families, families of divorce or separation, adoptive families and extended families, as well as domestic partnerships, are among the family types that

Providing Domestic Partner Benefits

—A Checklist of Employer Considerations—

Steps in making the initial decision

- Revisit employer philosophy on providing employee benefits
- Review internal nondiscrimination policy for consistency with employer actions
- Examine benefits-as-compensation equity issues
- Communicate and consider employee feedback
- Gather and analyze cost data
- Obtain legal input
- Evaluate administrative details

Subsequent decisions

- Will coverage include all domestic partners or only same-sex partners?
- What criteria will define a domestic partnership?
 - What documentation, if any, will be required?
 - What waiting periods, if any, will be imposed?
- What will be the scope of benefits coverage?
 - Nonhealth benefits only
 - Health and nonhealth benefits
 - What amount, if any, will the employee pay for the cost of health coverage?
 - Will continuation coverage be extended to domestic partners?

no longer fit the traditional married couple with or without children model. According to U.S. Bureau of Census statistics for 1991, unmarried couples represented 4.5 million households; one-third of these households consisted of same-sex couples. Since 1970 the number of reported domestic partnerships has increased 400%.¹

The word *family* has many different connotations. As defined by federal regulation and laws in every state, a family consists of a legally married man and woman and their dependent children. From another perspective, a *family* could be defined as "a unit of interdependent and interacting persons, related together over time by strong social and emotional bonds and/or ties of marriage, birth and adoption, whose central purpose is to create, maintain and promote the social, mental, physical and emotional well-being of each of its members."² Yet another definition of *family* is represented by one judge's ruling in a case involving a woman's legal adoption of her female partner's biological child. The opinion accompanying the court decision reads as follows:

Today a child who receives proper nutrition, adequate schooling and supportive sustaining shelter is among the fortunate; whatever the source. A child who also receives the love and nurture of even a single parent

can be counted among the blessed. Here the court finds a child who has all of the above benefits and two adults dedicated to his welfare, secure in their loving partnership, and determined to raise him to the very best of their considerable abilities. There is no reason in law, logic or social philosophy to obstruct such a favorable situation.³

Employer recognition of domestic partnerships is, in part, a reflection of the diversity of the workforce and, more directly, an attempt to meet the benefit needs of all employees, regardless of the type of "family" they choose to form or the lifestyle it represents.

While *domestic partner* is currently the most common term used to describe either person in an unmarried couple, other terms sometimes used are *life partner* or *spousal equivalent*. In addition to *domestic partnership*, the term *functional equivalent of marriage* is sometimes used to describe the relationship. Terms frequently encountered to describe the "family" formed through a domestic partnership include *relationship akin to that of a family*, *alternative nuclear family* or *family type unit*. The term *companion benefits* is sometimes used in place of the more common *domestic partner benefits*.

Snapshot

Employer provision of domestic partner benefits is a relatively new phenomenon. *The Village Voice*, a local New York City newspaper whose program has been in effect since 1982, was one of the first employers offering coverage to domestic partners. The 12 years since then have witnessed a slow emergence of other public and private employers providing varying types and levels of benefits to persons qualifying as domestic partners. The cities of Berkeley and West Hollywood followed precedent in 1985, making domestic coverage first available in the public sector. The year 1989 marked a similar move for Ben and Jerry's Homemade, Inc., the well-known Vermont-based ice cream manufacturer. Since 1990 numerous employers, particularly in high technology, telecommunication and the entertainment industries, have announced the implementation of domestic partner benefits. These include, for example, Lotus Development Corporation, Apple Computer Inc., Montefiore Medical Center, Levis Strauss & Co., Warner Bros. and Viacom International. Harvard University and the Massachusetts Institute of Technology are among the 1993 additions to the list of universities offering domestic partner benefits. Most recently, Vermont became the first state to extend domestic partner benefits to state workers. Coverage includes health and dental benefits for both same-sex and opposite-sex domestic partners.

To date, over 200 entities are known to offer domestic partner benefits in some form. A current list of private employers, colleges and universities, public sector employers, as well as unions that have negotiated for domestic partner benefits, is contained in the Appendix. The number of private employers who offer domestic partner benefits but have not announced that decision is not known.

It may be too strong a statement to say the provision of domestic partner benefits has become a trend; nonetheless, the number of employers providing domestic partner benefits is steadily growing. Perhaps even more significant is this growth is increasingly without fanfare. While the larger issue remains on the political forefront, employers are independently approaching domestic partnerships from an employee benefits perspective.

Weighing the Decision

Whether an employer decides to extend coverage to domestic partners is a separate issue from the process of weighing the decision. The following discussion examines the various reasons why employers offer domestic partner benefits as well as the reasons why they are hesitant to do so. As a benefits issue, the decision to provide domestic partner coverage requires the same kind of thorough evaluation required of any other addition or change to benefits coverage. Company policy, cost, administration and legal implications are among the points to be carefully considered. It is important to note, however, while an employer may use current law to support the decision not to provide domestic partner benefits, the decision itself is not a legal one.

Why Employers Offer Domestic Partner Coverage

Employers who provide domestic partner benefits do so for a number of reasons. While these reasons are presented separately for this discussion, in reality their impact overlaps.

Providing benefits to employees in a manner that does not discriminate on the basis of sexual orientation and/or marital status is increasingly becoming a priority for employers. Benefits comprise a significant portion of compensation, usually about 40%. From this standpoint, it can be argued an employer who provides benefits to married employees that are not available to unmarried employees living in domestic partnerships pays employees different total compensation based on the composition of their families.⁴ Again, employers need to be clear and comfortable with their definition of *family*.

Financial equity is also an issue as far as the tax advantages to the employee of certain employer-sponsored benefits such as health care. These tax advantages are unequivocally available to traditional families, while the employee in a domestic partnership is eligible only if his or her partner is a *dependent* by definition of the Internal Revenue Code (IRC).

Attracting and retaining employees is another key reason why employers offer domestic partner benefits. The magnetism of a comprehensive benefits package is a given and, all else being equal, it can be the deciding factor in whether a quality worker accepts a new position or continues employment with the organization. For employers, particularly in geographical areas or industries with large percentages of workers to whom this benefit would be important, it makes good business sense to offer domestic partner coverage. In addition to having a competitive advantage in recruitment and retention, these employers may also experience improved morale and productivity in their workforces. These effects, however, are difficult to measure.

Finally, employers may choose to offer domestic partner benefits to be recognized as a leader in benefits innovation, either nationally or within their communities. A number of well-known employers, perhaps most notably Levis Strauss & Co., have consistently taken a leadership role in this regard.

The questions raised in the process of deciding whether to provide domestic partner coverage have forced employers to examine their internal employment policies. Where there is a discrepancy between a stated policy of nondiscrimination and the employer's actual practice in providing employee benefits, a decision is often made to offer domestic partner coverage. Not only does this establish consistency within the organization, but it lends credibility to policy as well.

Valuing diversity in the workforce, recognizing employee needs and providing relevant benefits are central to an employee benefits program that includes domestic partner benefits. The process that leads to that decision inevitably includes an even more basic question—the question of why employers provide employee benefits in the first place. In

In the case of health care, group coverage alleviates, if not eliminates, the financial concern that accompanies the illness of a loved one. The question that follows is whether the illness of a loved one in a nontraditional family is any less stressful or costly than that occurring in a traditional family. This type of reasoning has led some employers to conclude that members of nontraditional households in which there is the functional equivalent of a marriage should be afforded health coverage as well. A similar argument holds true for other benefits relevant in times of crisis, such as family leave or bereavement leave. An example of a convenience benefit falling in this category might include subsidized relocation expenses.

Some of the questions employers can ask themselves to sort through the rationale of their benefit programs include:

- Does the purpose of family benefits justify not treating domestic partnerships as families?⁵
- Is there a compelling justification for distinguishing between domestic partnerships and traditional families on the basis of perceived need?⁶
- What are the justifications for not treating a domestic partnership as the moral equivalent of marriage?⁷
- Do costs justify differentiating domestic partners from spouses?⁸

Why Employers Do Not Offer Domestic Partner Coverage

Employer reluctance to offer domestic partner benefits revolves around financial uncertainty, implementation hurdles, possible legal implications, perceived or real negative reactions and ambivalence toward the issue itself. These concerns are often exacerbated by the fear of entering uncharted waters, accompanied by a lack of sufficient data to confidently move ahead.

Costs

Cost considerations are usually on the top of the list of reasons why employers hesitate to provide domestic partner benefits, especially health care coverage. After years of effort in health care cost management, employers are understandably adverse to adding additional dependents with an unknown risk. What experience has borne out, however, does not support these fears. Almost across the board, employers offering domestic partner benefits report, at most, minimal additional costs. In general, there is no evidence to indicate that the average health care costs of a domestic partner (same sex and/or opposite sex) will be significantly higher than that of a spouse.⁹ While the number of employers offering data and the number of years over which the data has been gathered are not sufficient to be infallible, these initial low-dollar reports are consistent.

Several types of costs are associated with domestic partner health care: direct or out-of-pocket costs, costs attributable to adverse selection (AIDS costs) and administrative costs. Of these, direct costs and AIDS-related costs have garnered the most attention.

Meaningful data on the direct costs of adding health care coverage for domestic partners is limited. Some employ-

ers lack sufficient experience to report data; others have declined to share their cost data. Where such information is available, however, cost increases are small and sometimes negligible. The City of Seattle and HBO, Inc., according to one report, have found covering a domestic partner is less expensive than covering a spouse. Both Lotus Development Corp. and Levis Strauss & Co. have found domestic partner coverage is the same as or less than spousal or other dependent coverage.¹⁰ Another report finds plans offering domestic partner health coverage only to same-sex couples experience about a 1% total increase in health care costs; plans offering health coverage to all domestic partners experience approximately a 3% increase in health care costs.¹¹

Some employers have attributed the very low cost increase associated with adding a domestic partner health care benefit to an overall rebalancing of costs in a participant group that includes same-sex partners. Female couples, for example, are at a lower risk for AIDS than heterosexual couples. (Unmarried heterosexual domestic partners have the same risk for AIDS as married couples.)¹² Also, female couples enrolling in domestic partner benefit programs tend to outnumber male couples by a ratio of four to one.¹³ Male couples do not incur the costs of pregnancy and childbirth, particularly the very high costs of premature births. Further, medical costs for cancer, organ transplants, cardiac care and other serious conditions affecting the population at large are significantly higher than the cost of treating AIDS.¹⁴ The current average AIDS-related claim is \$119,000; a premature birth can cost as much as \$1 million.¹⁵

Another factor explaining the low costs associated with adding domestic partner health coverage is the low rate of participation. Even in geographical areas and industries in which the benefit would be expected to be more highly valued, the percentage of employees signing up for domestic partner coverage is small. Generally, participation rates are less than 5% of the workforce and frequently are less than 2%.¹⁶ Low participation is partly explained by the fact that domestic partners, particularly same-sex domestic partners, are usually employed and have obtained health care benefits through their own employers. Second, many same-sex partners prefer to keep the nature of their relationship confidential. Third, some couples may choose to forgo coverage when they learn of the tax consequences for a non-dependent partner. (See Tax Consequences of Health Coverage.) Fourth, one or both partners may not want to incur unintended liabilities, such as palimony, loss of community property, or responsibility for a partner's debt that could legally result from signing an employer affidavit attesting to the nature of the relationship.¹⁷ Finally, if employees are required to pay for all or most of the domestic partner coverage, some couples may find the cost of coverage prohibitive.

A related cost concern frequently expressed by employers is that an employee will falsely portray a domestic partnership to obtain health insurance coverage for a sick friend. This type of abuse, however, has not been reported among

employers providing the benefit. Where coverage includes same-sex domestic partners, the possible social stigma attached to the relationship is a sufficient deterrent to false representation.¹⁸ Further, employers generally require a signed statement confirming the domestic partnership, sometimes accompanied by one or more forms of documentation, that clearly indicates the consequences of falsifying the information.

From a financial perspective, funding domestic partner benefits remains somewhat elusive for employers who are not self-funded. At this point, only a handful of insurers will underwrite domestic partner health coverage.¹⁹ Insurers, and to a lesser extent HMOs, are moving slowly in this regard. The trend among HMOs has been to add a retroactively negotiable surcharge on a total premium basis to cover the estimated increase attributable to domestic partner coverage. An initial HMO surcharge can range from 0.5% to 5.0% of the total premium; typically, however, the surcharge is either reduced or eliminated based on actual experience.²⁰ Some HMOs add the surcharge to the per participant premium and, in some cases, only to two-party or family enrollees.

Although administrative costs are a minor financial consequence of adding a domestic partner benefit, some employers may initially view them as a deterrent. There are likely to be one-time costs associated with collecting and circulating eligibility, tax and other information to employees, and setting up the payroll system to withhold taxes for those employees who are subject to tax on the employer-paid cost of coverage. The ongoing costs of adding enrollees is expected to be a negligible expense.²¹

Legal Considerations

Employers may be deterred from offering domestic partner coverage because of various legal issues, including cohabitation, the "dependent" status of a domestic partner and the contractual implications of a signed certification of domestic partnership. At a minimum, employers considering adding domestic partner coverage are encouraged to check state and local laws. (See Tax Consequences of Health Coverage.)

Congress has given the states authority to define the legality of different kinds of interpersonal relationships and has made it clear that "in the application of federal tax laws, taxpayers will be treated in their intimate and personal relationships as the state in which they reside treats them."²² The IRS reiterated in a recent private letter ruling that employer-sponsored health benefits are excludable from taxable income for the employee, his or her legal spouse, and legal dependents.²³ First, a common-law spouse in a state that validates common-law marriage is a legal spouse; therefore, state law will determine whether an adult cohabitant is a legal spouse or a nondependent domestic partner. Second, the Internal Revenue Code (IRC) includes in its definition of *dependent* that the individual be "a member of the taxpayer's household"; it also states that an "individual is not a member of a taxpayer's household if at any time during the taxable year of the taxpayer the relationship between such individ-

ual and the taxpayer is in violation of local law."²⁴ Therefore, to avoid possible liability for penalties for failure to properly withhold and report taxes, employers need to be advised on state and local laws pertaining to cohabitation. Some employers have avoided the latter issue by treating the employer-paid cost of health coverage of all domestic partners as taxable income.²⁵ Ultimately, some employers have decided to limit their benefit programs to legal spouses and dependents of employees as defined by the IRC, in which case the only application of a state law is with respect to a common-law marriage.

A larger matter at stake for employers offering domestic partner coverage is the domestic partnership itself may be in violation of a state law. Some employers are concerned the provision of domestic partner coverage may be interpreted as "aiding and abetting" a prohibited relationship under local laws. Generally, however, cohabitation statutes are rarely enforced, and no known employers providing domestic partner benefits have been held liable under them.²⁶

Employers could possibly be sued by an employee or the employee's domestic partner should the affidavit signed by the domestic partners as a condition of eligibility for coverage result in unintended legal consequences, such as assertion of rights to community property or support payments, upon the termination of the relationship.²⁷ Employers can protect themselves by including in the affidavit a statement that the domestic partners understand the financial obligations that might arise in a court of law.

A final factor that can deter an employer from adding a domestic partner benefit is a negative reaction from both inside and outside the organization. Yet, experience has shown strong senior management support and a well-designed program can make the addition of domestic partner benefits a smooth transition for employees and the employer's community.

Considerations in Plan Design

Defining Domestic Partnerships

The elements of plan design are often closely linked, if not inseparable, from the employer's decision to provide domestic partner benefits. From a practical standpoint, these parameters need to be clearly delineated. Defining the term *domestic partnership* and what benefits will be included in domestic partnership coverage are two important tasks.

The primary decision in defining the term *domestic partnership* is whether eligibility will be limited to same-sex couples or if it will include both same-sex couples and heterosexual couples. Employers choosing to define a domestic partnership only in terms of same-sex couples usually do so on the basis that same-sex partners do not have the option to marry. Same-sex marriages are prohibited by law in every state. This approach to defining a domestic partnership uses the legal definition of *marriage*, the employer-sponsored benefits provided couples based on marriage, and the unattainability of marriage for same-sex couples as the basis of its logic.

On the other hand, employers choosing to include both same-sex couples and heterosexual couples in their definition of a domestic partnership shift the fulcrum of their reasoning from legal marriage, per se, to the nature of a relationship. This approach accepts an individual's selection of a life partner—as well as the form of the partnership—without forgoing employer-sponsored benefits that would have been available given other personal choices. Many heterosexual couples choose not to marry for a variety of reasons, yet form enduring relationships and stable families. Including same-sex couples and heterosexual couples in domestic partner coverage addresses equal access to benefits regardless of sexual orientation or marital status. It also addresses issues of reverse discrimination on the basis of sexual orientation that can arise when domestic partner coverage is offered only to same-sex couples.

Certification of Domestic Partnership—The Affidavit

Once an employer decides whether to cover all domestic partners or only same-sex domestic partners, the next step is identifying what other characteristics define the relationship. These may be broadly defined such as sharing a long-term, committed relationship of indefinite duration, or specified in detail. Generally, these criteria and other relevant information are stated in an affidavit, which may or may not require the seal of a notary public, signed by the employee and the domestic partner. The following list includes the many criteria employers have used to define *domestic partners*. Rarely does an employer require all of them.

1. Individuals are in an intimate, committed relationship.
2. Individuals intend to remain in the relationship indefinitely.
3. Individuals are financially interdependent.
4. Individuals are responsible for each other's common welfare.
5. Individuals share the same residence.
6. Individuals are jointly responsible for debts to third parties.
7. Both individuals are of legal age.
8. Neither individual is related by blood closer than would bar marriage in the state of their residence.
9. Individuals have lived together for a specified length of time prior to seeking domestic partner benefits.
10. Both individuals were mentally competent at the time of consent to the relationship.
11. Neither partner is married to anyone else.
12. Neither partner has another domestic partner.

Some employers require additional evidence of the bona fide nature of the relationship such as documentation of joint ownership of significant assets (e.g., car, mortgage or bank accounts), a copy of a jointly signed lease or, where applicable, registration in a city registry of domestic partners. The degree of proof of the nature of the relationship is a matter for careful consideration by the employer. One source points out that financially interdependent domestic partners may not own property together or share bank accounts and credit cards because under federal tax law there

may be disincentives to do so.²⁹ Further, the extent to which the employee and the domestic partner are asked to certify the details or provide evidence of their relationship may be viewed as an invasion of privacy, particularly if this level of inquiry is not asked of married employees. Some employers have developed affidavits applicable to all employees seeking two-party or family coverage. These generic forms ask information applicable to both legal spouses and domestic partners. Similar forms affirm termination of the relationship by divorce, mutual agreement or death of the spouse or domestic partner. Employers may impose a waiting period between dissolution of a domestic partnership and eligibility for domestic partnership benefits in a new relationship.

It is important employees and their partners understand the personal, financial and legal implications of signing the affidavit. Most affidavits include a statement forewarning the employee of possible tax consequences of adding a domestic partner to health insurance coverage: The cost of coverage paid for by the employer on behalf of a domestic partner could be considered taxable income to the employee. (See *Tax Consequences of Health Coverage*.) Domestic partners should also be informed the signed affidavit may be interpreted by some courts as a legally binding document with community property, support payment and other spousal equivalency implications.²⁹ Finally, the affidavit should clearly state the consequences, if any, of willful falsification of information. For example, falsification may result in disciplinary action, including discharge from employment or civil action brought against the individuals for losses, including reasonable attorney fees, incurred as a result of the falsification. Domestic partners can expect the employer will treat the affidavit in a confidential manner and disclose information only with written authorization or if otherwise required by law.³⁰

Scope of Coverage

The employer tasks of defining a domestic partner and determining the scope of coverage are inevitably intertwined. Deciding what benefits to provide domestic partners raises difficult questions from policy to cost. Employers generally fall into two groups: those offering the full benefits package to domestic partners and those offering nonhealth benefits. To date, the majority of employers providing domestic partner benefits offer a range of lower cost benefits such as family/bereavement/sick leave, adoption assistance, relocation benefits, child resource and referral services, access to employer's fitness center, invitation to employer social functions or use of employee assistance programs (EAPs). A significant and growing number of employers have extended these benefits to include medical, mental health, dental, prescription drug and vision care benefits, as well as dependent life insurance, group legal services, tuition assistance, long-term care and flexible spending accounts. Montefiore Medical Center in Bronx, New York is among those employers offering the widest range of benefits.

Administration of Domestic Partner Benefits

Administering domestic partner benefits involves employee communications, registration, deregistration, applicable waiting periods, enrollment, employee premiums, calculation of imputed income to the employee for tax purposes and health continuation coverage. Issues relating to the taxability of domestic partner coverage, some of which have already been discussed, are of particular concern to employers.

Tax Consequences of Health Coverage

Although somewhat complicated, the tax consequences of extending employer-sponsored health coverage to domestic partners of employees and their dependent children are clear-cut. Simply stated, employees with a domestic partner who is not a common-law spouse and who does not qualify as a dependent under the IRC are taxed on health care coverage paid for by the employer.

Generally, under the IRC, employees are not taxed on employer-sponsored health coverage provided them or their spouses and dependents, as defined in the Code.³¹ Since the Internal Revenue Service looks to state law to define *spouse*, and no states have passed statutes that treat domestic partners as spouses,³² a domestic partner who is not a spouse by common-law marriage must qualify as a *dependent* to exclude the cost of employer-paid health coverage from the employee's gross income. The IRC defines a *dependent* as one who receives at least half of his or her support during the calendar year from the employee (taxpayer) and is a "member of the taxpayer's household."³³ Further, a relationship between the domestic partner and the employee that is illegal under state law precludes the domestic partner from qualifying as a "member of the taxpayer's household"³⁴ and, therefore, from qualifying as a *dependent*.

Employees whose domestic partner's coverage is subject to taxation must include in their gross income the amount by which the fair market value of the health coverage exceeds the amount, if any, paid by the employee with after tax dollars for the cost of coverage. If employee contributions are made on a pretax basis through a cafeteria plan, the amount is generally treated as taxable income to the employee since "the use of pretax money to pay for any coverage has the practical effect of turning employee-pay contributions into employer contributions for the purpose of determining imputed income."³⁵ "Reimbursement of medical expenses with respect to a nondependent [domestic partner] will result in additional taxable income to the employee, unless the employer's contributions attributable to the reimbursements are either paid by the employee or included in the employee's compensation, or a combination thereof."³⁶ Taxation of medical reimbursements is rarely an issue since, when applicable, the employer-paid coverage is already treated as taxable income.

The IRS has provided very little guidance for employers on how to determine the fair market value of the health coverage and has indicated it will not do so.³⁷ Employers are nonetheless responsible for developing a reasonable

Taxability of Domestic Partner Health Benefits

The fair market value of employer-paid health care coverage for the domestic partner is considered **taxable income** to the employee **UNLESS** all three of the following conditions are met:

- The domestic partner receives at least 50% of his or her support during the calendar year from the employee.
- The domestic partner shares the employee's residence as his or her principal home and is a member of the employee's household.
- The relationship between the domestic partner and the employee is not in violation of state and local laws.

method. Treasury regulations say fair market value is determined on the basis of all the facts and circumstances.³⁸ Additionally, an IRS private letter ruling reversed an earlier IRS position now stating the fair market value should be determined according to group, rather than individual, rates.³⁹ One attorney suggests it may be simplistic for an employer to arrive at a fair market value by calculating the difference between what the employee would pay for health coverage with and without the addition of the domestic partner; a more accurate method might be to develop a composite rate based on claims experience.⁴⁰

The fair market value of the health care coverage is subject to federal income tax and must be reported as imputed income on the employee's Form W-2. Employers must pay FICA and FUTA taxes on these amounts and ensure adequate withholding.

COBRA

Employers extending health benefits to domestic partners are faced with the decision whether and/or to what extent to offer continuation coverage to these individuals as well. Under the Consolidated Omnibus Budget Reconciliation Act of 1985, only spouses and dependent children are considered *qualified beneficiaries*. It appears, therefore, employers do not have to continue health coverage under COBRA for domestic partners. Benefit specialists differ on this issue, however.⁴¹ Employers may voluntarily continue health coverage to demonstrate consistency in the treatment of domestic partners as spousal equivalents. Although some employers do not continue coverage for domestic part-

ners upon COBRA qualifying events, others follow the same coverage, notice and premium rules as for married couples— if, for no other reason, than ease of administration.

Conclusion

In the next five to ten years, according to one employer's predictions, the provision of domestic partner benefits will become mainstream.⁴² Today, however, employers face very transitional times. The controversial nature of the issues, the small and short-lived pool of couples on which cost experience is based, the administrative irregularities and legal complications can discourage employers from offering domestic partner benefits. Nonetheless, some employers are finding new ways to develop their benefits packages despite financial, political and societal uncertainty and the impediments of an existing body of law "that never contemplated non-traditional relationships."⁴³

Melody A. Carlsen, CEBS
Associate Director of Research

Endnotes

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2. "One Definition," *Partners Magazine for Gay & Lesbian Couples*, no. 2 (Spring 1992): 12.
3. "Adoption Wins," *Partners Magazine for Gay & Lesbian Couples* 12, quoting Judge Eve Preminger.
4. Barbara Fried, *Domestic Partner Benefits—A Case Study* (Stanford, Cal.: Stanford University, 1994), 2.
5. *Ibid.*, 18.
6. *Ibid.*, 30.
7. *Ibid.*, 32.
8. *Ibid.*, 34.
9. *Ibid.*, 45.
10. Andrew D. Sherman and John J. Fadel, "Domestic Partner Benefits Pose New Challenges for Employers," *ACA News* (June 1994): 7-8.
11. "Domestic Partner Benefits Prove to Be Rare," *CCH Employee Benefits Management Directions* (June 21, 1994): 7.

12. Linda M. Laarman, "Employer Health Coverage for Domestic Partners—Identifying the Issues," *Employee Relations Law Journal* 18, no. 4 (Spring 1993): 370.
13. Martha Stephens and Tomas Mathews, "Spousal Equivalent Coverage: How One Company Measured Its Benefits," *Managing Employee Health Benefits* 2, no. 2 (Spring 1994): 59.
14. Mark E. Grossman and Rebecca K. Kramnick, "Domestic Partnership Benefits," *Employee Benefits Journal* 19, no. 1 (March 1994): 3.
15. Sherman and Fadel, 7.
16. *The Segal Company Executive Letter* 17, no. 1-2 (1993): 7.
17. *Ibid.*, 5.
18. Laarman, 369.
19. "Group Health Coverage for Employees' Same-Sex Partners," *Hollywood Supports Same-Sex Partner Health Coverage* (Spring 1994): 2.
20. Fried, 43.
21. *Ibid.*, 5.
22. Priv. Ltr. Rul. 90-34-048 (May 1990).
23. *Id.*
24. IRC Sec. 152(a)(9).
25. Helitzer, 252.
26. Laarman, 378.
27. "Domestic Partner Benefits: Issue to Ponder," *Employee Benefit News* 8, no. 1 (1 January 1994): 37.
28. David Glaser and Tamsin Wolf, "Facing Domestic Partner Issues," *Business & Health* 12, no. 2 (February 1994): 54.
29. Stephens and Mathews, 69.
30. Fried, 69, referencing Affidavit of Marriage/Domestic Partnership for City of Seattle, Section III.
31. Laarman, citing IRC Sec. 106 and Treas. Reg. Sec. 1.106-1.
32. "IRS Position on Domestic Partners Depends on State Law," *Tax Management Compensation Planning Journal* 22, no. 10 (7 October 1994): 255.
33. IRC Sec. 152(a).
34. Laarman, citing IRC Secs. 152(a)(9), 152(b)(5).
35. Helitzer, 252.
36. Carlson and Goodwin, 3, citing IRC Secs. 104(a)(3), 105(a).
37. *Ibid.*, 3, citing Priv. Ltr. Rul. 91-09-060 (Dec. 6, 1990).
38. Treas. Reg. Sec. 1.61-21(b)(2).
39. Laarman, 373, citing Priv. Ltr. Rul. 91-11-018 (Dec. 14, 1990) reversing Priv. Ltr. Rul. 90-34-048 (May 1990).
40. *Ibid.*, 374.
41. Two benefit specialists construe an employee can elect to cover a domestic partner and children, but the partner has no right to an independent election of COBRA. See Carlson and Goodwin, 9.
42. Fried, 12.
43. Judith E. Turkel, "Domestic Partnership Registration and Agreements," *Practising Law Institute, Tax Law and Estate Planning Course Handbook Series—Estate Planning and Administration*, April-May 1994.

Author's note: Model documents for extending group health coverage to domestic partners of employees and related materials are available upon request from Hollywood Supports, 8455 Beverly Blvd., Suite 305, Los Angeles, CA 90048; (213) 962-3118.

Those entities marked with an asterisk (*) offer bereavement and/or family illness leave only. Unless otherwise noted, other listed employers offer benefits that include some form of health insurance coverage for domestic partners of employees.

Private Employer

Most of the plans noted below define *domestic partners* to include same-sex couples as well as unmarried heterosexual partners. Benefits vary widely.

- ▶ Adobe Systems, Mountain View, Calif.
- ▶ American Civil Liberties Union, San Francisco and national offices
- ▶ American Cyanamid*
- ▶ American Friends Service Committee, Philadelphia, Pa.
- ▶ American Psychological Association, Washington, D.C.
- ▶ Apple Computer, Cupertino, Calif.
- ▶ Bank America, San Francisco, Calif.*
- ▶ Ben & Jerry's Homemade, Waterbury, Vt.
- ▶ Blue Cross and Blue Shield of Massachusetts
- ▶ Borland International Inc., Scotts Valley, Calif.
- ▶ Boston Globe, Boston, Mass.
- ▶ Bureau of National Affairs (BNA), Washington, D.C.
- ▶ Canadian Press (wire service), Canada
- ▶ Capital Cities/ABC
- ▶ Colgate-Palmolive
- ▶ Consumers United Insurance Company, Washington, D.C.
- ▶ Cray Research*
- ▶ Dayton Hudson
- ▶ Dow Chemical*
- ▶ Eastman Kodak, Rochester, N.Y.*
- ▶ Episcopal Diocese of Newark, New Jersey*
- ▶ Fannie Mae (Federal National Mortgage Association), Washington, D.C.
- ▶ Federal National Mortgage Association
- ▶ Field Museum of Natural History, Chicago, Ill.
- ▶ First Bank System*
- ▶ First Chicago Corporation*
- ▶ Fred Hutchinson Cancer Research, Seattle, Wash.
- ▶ Gardener's Supply, Burlington, Vt.
- ▶ Genentech, San Francisco, Calif.
- ▶ Greenpeace International, Washington, D.C.
- ▶ Group Health Cooperative of Puget Sound (HMO), Seattle, Wash. (implemented later in 1994)
- ▶ Harley-Davidson (use of onsite facilities)
- ▶ Home Box Office (HBO) (Time Warner, Inc.), New York, N.Y.
- ▶ Howard, Rice, Nemerovski, Canady, Robertson & Falk, San Francisco, Calif.
- ▶ Human Rights Campaign Fund, Washington, D.C.
- ▶ IBM (nonhealth coverage benefits)
- ▶ InterMedia Partners, cable operators
- ▶ Irell & Manella
- ▶ Krum & Forster Commercial Insurance (for unmarried heterosexual couples in common-law states)
- ▶ KQED, San Francisco, Calif.
- ▶ Lambda Legal Defense & Education Fund, New York, N.Y.
- ▶ Levi Strauss & Co., San Francisco, Calif.
- ▶ Lillienthal & Fowler, San Francisco, Calif.
- ▶ Los Angeles Philharmonic, Calif.
- ▶ Lotus Development Corp., Cambridge, Mass.
- ▶ Mattel*
- ▶ MCA/Universal, Universal City, Calif.
- ▶ Microsoft Corporation, Redmond, Wash.
- ▶ Milbank, Tweed, Hadley & McCloy, New York, N.Y.
- ▶ Millennium Global Inc., Clearwater, Fla.
- ▶ Minnesota Communications Group (Minnesota public radio), Minneapolis, Minn.
- ▶ Montefiore Medical Center, Bronx, N.Y.
- ▶ Morrison & Foerster (nationwide, all offices)
- ▶ National Center for Lesbian Rights, San Francisco, Calif.
- ▶ National Gay & Lesbian Task Force Policy Institute, Washington, D.C.
- ▶ National Organization for Women, Washington, D.C.
- ▶ National Public Radio, Washington, D.C.
- ▶ New York Life & Annuity*
- ▶ New York Times, New York, N.Y.
- ▶ NEXT Computer, Redwood City, Calif. (type unknown)
- ▶ Northern Telecom, N.C.
- ▶ Northwest Airlines (nonhealth coverage benefits)
- ▶ Ontario, Canada (all private companies must provide dental, prescription and health care plans)
- ▶ Oracle Systems Corp.
- ▶ Orrick, Herrington & Sutcliffe, San Francisco, Calif.
- ▶ Pacific Gas & Electric, San Francisco, Calif.*
- ▶ Pacific Mutual Life*
- ▶ Pacific Telesis Group*
- ▶ Para Transit, Inc., Sacramento, Calif.
- ▶ Polaroid, Cambridge, Mass.*
- ▶ Principle Mutual Life
- ▶ Research Triangle Park, N.C.
- ▶ Riggs National Corporation*
- ▶ RIR Nabisco Holdings (nonhealth coverage benefits)
- ▶ Schiff, Harden & Waite, Chicago, Ill.
- ▶ Seattle Mental Health Institute, Seattle, Wash.
- ▶ Seattle Times, Seattle, Wash.
- ▶ Silicon Graphics, Mountain View, Calif. (nonhealth coverage benefits)
- ▶ Sony Music Co.*
- ▶ Sony Pictures Entertainment
- ▶ Spnnt, Dallas, Texas (relocation aid only)
- ▶ Starbucks Coffee Company, Seattle, Wash.
- ▶ Sun Microsystems
- ▶ Teachers Insurance & Annuity*
- ▶ Time Magazine Co., New York, N.Y.*
- ▶ Time Warner* (corporate staff)
- ▶ Trans America*
- ▶ Trans America Occidental Life*
- ▶ United Church Board for Homeland Ministries (United Church of Christ)
- ▶ University Students Cooperative Association, Berkeley, Calif.
- ▶ US Bancorp*
- ▶ US West*
- ▶ Vermont Girl Scouts Council, Vt.
- ▶ Viacom International (MTV, Showtime), New York, N.Y.
- ▶ Walker Art Center, Minneapolis, Minn.*
- ▶ Warner Brothers (Time Warner, Inc.), Burbank, Calif.
- ▶ Wells Fargo & Company*
- ▶ WGBH, Boston, Mass.
- ▶ Woodward and Lothrop, Inc., Washington, D.C. (merchandise discounts only)
- ▶ Wyatt Company

Colleges

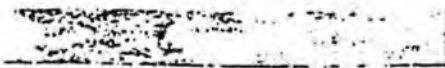
Numerous colleges provide health and other benefits for domestic partners of faculty and staff. In some cases, partners of students also receive consideration, including eligibility for married student housing and the use of college facilities. Conditions and benefits vary widely among the campuses listed below.

- ▶ Bowdoin College, Brunswick, Maine
- ▶ Brown University, Providence, R.I.
- ▶ Carnegie Mellon, Pittsburgh, Pa.*
- ▶ Clark University, Worcester, Mass.
- ▶ Columbia University, New York, N.Y.
- ▶ Dartmouth College, Hanover, N.H. (same-sex partners only)
- ▶ Florida International University, Miami, Fla.
- ▶ General Theological Seminary (Episcopal—housing for same-sex committed couples who are students)
- ▶ Georgia State University, Atlanta, Ga.
- ▶ Grinnell College, Grinnell, Iowa
- ▶ Harvard University, Cambridge, Mass. (must register domestic partner in Cambridge or other city)
- ▶ Hiram College, Hiram, Ohio (unofficial)
- ▶ Ithaca College, Ithaca, N.Y. (Human Rights Commission found housing restrictions unfair to unmarrieds)
- ▶ Massachusetts Institute of Technology, Cambridge, Mass.
- ▶ Middlebury College, Middlebury, Vt.
- ▶ Mission College, Santa Clara, Calif.
- ▶ Moorehead State University, Moorhead, Minn. (unofficial)
- ▶ New York University Law School, New York, N.Y.
- ▶ New York University, New York, N.Y. (same-sex partners only)
- ▶ North Dakota University, Grand Forks, N.D.
- ▶ Northeastern University, Boston, Mass.
- ▶ Occidental College, Los Angeles, Calif.
- ▶ Pitzer College, Claremont, Calif.
- ▶ Princeton University, Princeton, N.J.
- ▶ Rutgers University, New Brunswick, N.J. (benefits stalled by administration, now in litigation)
- ▶ Smith College, Northampton, Mass. (same-sex partners only)
- ▶ Stanford University, Palo Alto, Calif.
- ▶ SUNY Stony Brook, Stony Brook, N.Y.
- ▶ Swathmore College, Swathmore, Pa.
- ▶ Teachers College, Columbia University, New York, N.Y.
- ▶ Tufts University, Boston, Mass. (same-sex faculty, staff, students only. If legal marriage becomes available, partners must marry to retain benefits.)
- ▶ Union Theological Seminary, New York, N.Y.
- ▶ University of British Columbia, Vancouver, B.C., Canada
- ▶ University of California, Los Angeles, Calif.
- ▶ University of Chicago, Chicago, Ill. (same-sex partners only)
- ▶ University of Colorado, Boulder, Colo.
- ▶ University of Iowa, Iowa City, Iowa
- ▶ University of Michigan, Ann Arbor, Mich.
- ▶ University of Minnesota, Minneapolis, Minn.
- ▶ University of New Mexico, Albuquerque, N.M.
- ▶ University of Oregon, Eugene, Oreg. (student housing)
- ▶ University of Pennsylvania, Philadelphia, Pa. (same-sex partners only)
- ▶ University of Pittsburgh, Pittsburgh, Pa. (tuition remission, facility access only for same-sex partners; no insurance)
- ▶ University of Tampa, Tampa, Fla.
- ▶ University of Vermont, Burlington, Vt.
- ▶ University of Washington, Seattle, Wash. (bereavement; other benefits are pending)
- ▶ University of Wisconsin, Madison, Wis.
- ▶ Washington State University, Pullman, Wash.
- ▶ Yale University, New Haven, Conn. (health coverage for same-sex students, faculty, admin. and staff)

Governments

As with private employers, most of these governmental plans define *domestic partners* to include same-sex couples as well as unmarried heterosexual partners. Partners qualify for benefits under conditions that vary widely.

- ▶ Alameda County, Calif.*
- ▶ Ann Arbor, Mich.
- ▶ Atlanta, Ga. (court declared unconstitutional, under appeal)
- ▶ Austin, Texas (citizens voted city charter benefits law restricted to heterosexuals only)
- ▶ Baltimore, Md. (same-sex partners only, health plan coverage starts Jan. 1995)
- ▶ Berkeley, Calif.
- ▶ Berkeley Unified School District, Calif.
- ▶ Boston, Mass. (unpaid health insurance coverage)
- ▶ Burlington, Vt.
- ▶ Cambridge, Mass.
- ▶ Canada (federal employees)
- ▶ Chicago, Ill. (paid bereavement leave only)
- ▶ Dane County, Wis.*
- ▶ Dane Regional Planning Commission*
- ▶ Delaware, N.J.*
- ▶ Denmark (similar benefits as marriage for same-sex citizens who are "registered partners")
- ▶ East Lansing, Mich. (nonunion employees only)
- ▶ France (medical benefits for nonworking partner if citizens are French; three-year residents who have lived together at least one year)
- ▶ Greenland (similar benefits as marriage for same-sex citizens who are "registered partners")
- ▶ Hartford, Conn.
- ▶ Hennepin County, Minn.*
- ▶ Ithaca, N.Y.*
- ▶ King County, Wash.
- ▶ Laguna Beach, Calif.
- ▶ Los Angeles, Calif.
- ▶ Madison, Wis.*
- ▶ Massachusetts* (management level only)
- ▶ Metro Toronto Council, Canada
- ▶ Minneapolis, Minn. (court declared invalid, to be appealed) (was to give cash payments until insurance could be arranged; excludes unmarried heterosexuals)
- ▶ Minneapolis Public Library, Minn.
- ▶ Minneapolis School District, Minn.
- ▶ Multnomah County, Oreg. (medical coverage for nonunion)



- ▶ Municipality of Metropolitan Seattle (Metro), Seattle, Wash.
- ▶ New South Wales, Australia (all citizens: same-sex couples spousal rights to each other's property)
- ▶ New York
- ▶ New York, N.Y.
- ▶ Norway (similar benefits as marriage for same-sex citizens who are "registered partners")
- ▶ Oakland, Calif.
- ▶ Oak Park, Ill.
- ▶ Ontario, Canada
- ▶ Ottawa, Ont., Canada
- ▶ Portland, Oreg.

- ▶ Rochester, N.Y.
- ▶ Sacramento, Calif.
- ▶ San Diego, Calif.
- ▶ San Francisco, Calif.
- ▶ San Jose School District, Calif. (certain unionized employees)
- ▶ San Mateo County, Calif.
- ▶ Santa Cruz, Calif.
- ▶ Santa Cruz County, Calif.
- ▶ Santa Cruz Metropolitan Transit System, Calif.
- ▶ Seattle, Wash.
- ▶ Sherwood Hills Village, Wis.*

- ▶ Sweden (similar benefits as marriage for same-sex citizens who are "registered partners")
- ▶ Takoma Park, Md.
- ▶ Toronto, Ont., Canada
- ▶ Travis County, Texas*
- ▶ United States Civil Service*
- ▶ United States Department of Housing (HUD)*
- ▶ Vancouver, B.C., Canada
- ▶ Vermont (all state workers,
- ▶ Wayne County, Mich.
- ▶ West Hollywood, Calif.
- ▶ West Palm Beach, Fla.*
- ▶ Yukon Territory, Canada

Unions

The unions listed have negotiated benefits for same-sex partners, although some may provide benefits only in selected localities.

- ▶ AFSCME, Local 146, Sacramento, Calif.*
- ▶ Amalgamated Workers Union, Local 88 (RWDSU)*
- ▶ American Federation of Government Employees, Local 476/HUD*
- ▶ Canadian Union of Public Employees Local 932, Ontario, Canada
- ▶ Columbia University clerical workers, New York, N.Y.*
- ▶ Committee of Interns and Residents Staff Union, New York, N.Y.
- ▶ Council 82 (person guards—N.Y., State benefits)
- ▶ DC Nurses' Association*

- ▶ International Brotherhood of Electrical Workers, Local 18, Los Angeles, Calif.
- ▶ Legal Aid Society, New York, N.Y.
- ▶ Legal Services Corporation, Des Moines, Iowa*
- ▶ Mt. Sinai Hospital, New York, N.Y.* (nurses)
- ▶ Museum of Modern Art, New York, N.Y.*
- ▶ National Treasury Employees Union*
- ▶ New York/New Jersey (NYNEX), telephone company workers, New York, N.Y.
- ▶ Oil Chemical and Atomic Workers (several locals in N.Y. and elsewhere)

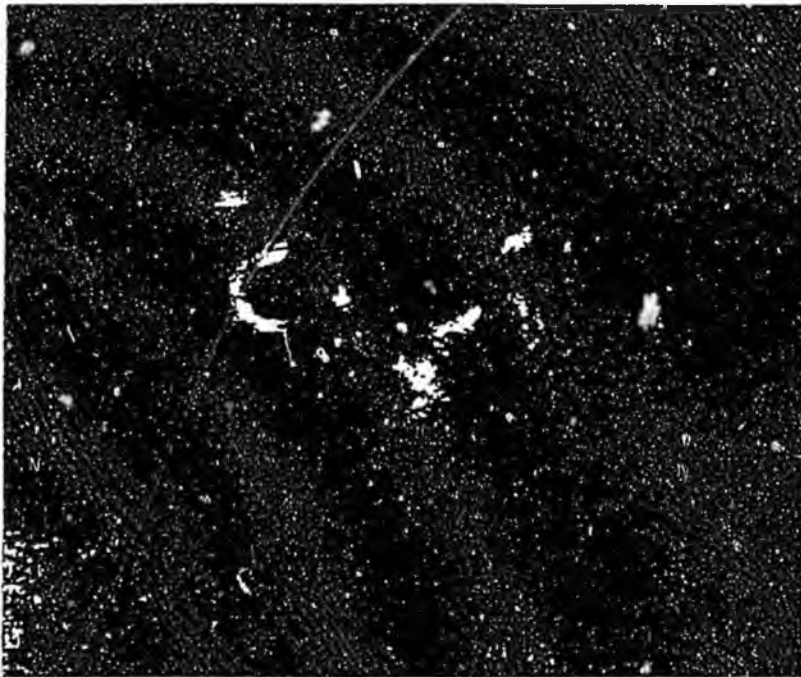
- ▶ Pacific Gas & Electric, San Francisco, Calif.*
- ▶ Public Employees Federation (N.Y., State, SEIU/AFT)
- ▶ Retail Store Employees Union Local 410R-8FCS, San Francisco, Calif.*
- ▶ Seattle Public Library, Wash.*
- ▶ United University Professors (professors, doctors and some nurses in teaching hospitals—N.Y., State)
- ▶ Village Voice newspaper, New York, N.Y.

This list of employers and other organizations offering domestic partner benefits, current as of October 1994, was compiled by the Partners Task Force for Gay and Lesbian Couples, Box 9685, Seattle, WA 98109-0685; (206) 935-1206.

The new beneficiaries

Despite complications, some companies find that extending benefits to domestic partners is an inexpensive way to accommodate valued employees.

Duncan Osborne



ble dollars," Goldstein says. Indeed, Julie now pays less for her health coverage. The IDG plans also includes dental care, a feature that was not part of Julie's prior coverage. But for Goldstein, this was more than just a good deal for her partner—it was a demonstration of IDG's "respectful" attitude towards its employees.

"A company's asset is its humans," Goldstein says. "If you treat them correctly, they work hard and they stay with you. That's how companies make money."

Companies like IDG and employees like Goldstein are still very much the exception, but change is in the air. Non-

When Boston-based International Data Group decided to admit its employees' unmarried partners—or "spousal equivalents"—to its health benefits plan last April, the move was especially well-timed for one of its key employees. Deb Goldstein, president of list services at IDG, a publishing and research company which covers the computer industry, and Julie, her domestic partner of 14 years, were confronting a serious problem.

Julie, a jewelry designer, was moving from full time to part time work and faced the loss of her health benefits at work. But after IDG's decision on benefits, Julie moved onto Goldstein's plan instead.

"I could offer Julie better coverage for compara-

married couples, or domestic partners, both straight and gay, have become a growing presence in the US. According to the 1990 census, 4.2 million US households, or 5% of a total 94 million, consist of two unrelated adults. Opposite sex couples constitute 2.6 million of these, and 1.6 million are same-sex—although not all of these are in long-term relationships with each other. Increasingly, employees are asking for benefits for their non-marital partners—and, in many cases, getting them.

Employers and insurers set their own definitions of "domestic partner," and rarely ask for proof that a couple meets any of the specifications. But most use language that mirrors local marriage law—two

unmarried adults, unrelated by blood, and in a close and committed relationship. Similar language was used by New York City last year when it became the first city in the US to set up a domestic partners registry to give local employers who wanted to offer benefits a quick way to check employees' status.

The first employer in the US to extend domestic partnership benefits to the unmarried partners of its employees—gay as well as straight—was the *Village Voice*, a New York alternative newspaper, in 1982. Several years passed with little or no growth in the list until the late 1980s, but since then the number of companies has swelled to roughly 130, according to the National Gay and Lesbian Task Force, a Washington, DC-based lobbying group.

The list has been dominated by high tech companies and public employers, although some large media companies—namely the New York Times Company, CBS, and many of Time Warner's 36 divisions—



IDG's Mathews: The employees raised the issue

have recently recognized domestic partners as well. By numbers alone, the movement cannot be said to have made a dent in the marketplace. According to the 1990 US Census, there are slightly more than 5.1 million enterprises or companies in the US and Puerto Rico, excluding railroads, agricultural production, and government entities. Companies offering

domestic partnership benefits thus account for a tiny two thousandths of 1% of US companies.

But many of the companies that have been most progressive in extending benefits are in vigorous, fast-growing sectors of the economy—cutting-edge high tech and media companies, for example—which may constitute a much larger segment of the US economy in coming years. These are also companies that rely on contingents of employees with special skills, and therefore are strongly motivated to accommodate their special needs if it can be done inexpensively.

"A lot of it [the current low level of coverage] is we haven't asked or employers haven't thought of it," says Evan Wolfson, a senior staff attorney at the Lambda Legal Defense and Education Fund, a non-profit, gay-rights law firm based in New York. In a 1991 survey of 50 San Francisco Bay Area employers, Foster Higgins found that half had been approached by employees asking for domestic partnership coverage. In 1991, only one had added the benefit, but at least nine are reported to have added it since then. And employee demand is the first reason employers who offer it cite for adding the coverage.

Defining a "beneficiary"

At least at this early stage the movement to extend domestic partnership benefits has been quietly successful, and employees and advocates remain impressed by the rate at which the list of employers offering them has grown. But larger issues remain.

The effort to win these benefits has been driven more by the need for health insurance than for post-retirement benefits. Indeed, an early obstacle to winning domestic partnership benefits was the opposition of insurers who cited increased costs—mainly those incurred by people with AIDS—and a lack of rating data.

But as the number of employers offering the benefit has grown, these fears have been allayed. Today, insurers such as Aetna, Prudential, Group Health Insurance of New York, and Kaiser Permanente either offer the product in some cities or have indicated a willingness to do so. The work of winning post-retirement benefits, however, goes on with more than a sidelong glance at the courts and at ERISA.

ERISA defines a "beneficiary" as a person designated by the participant or by the terms of the plan. And both corporate and public defined benefit plans generally stipulate that the beneficiary must be a spouse—meaning married under state law—or dependent. That definition excludes domestic partners, who are neither.

In a 1990 case, *Rovira v. AT&T*, Judge Robert Patterson of the federal court for the Southern District of the State of New York ruled. "The plain words of the plan require a legal marriage rather than a putative or functional one." Sandra Rovira had sued AT&T citing a local New York City ordinance that bans discrimination on the basis of sexual orientation, a New York state law that bans discrimination on the basis of marital status, and AT&T's policy banning discrimination in both of those categories.

Patterson left it to the state legislature or labor-management negotiators to decide whether the definition of spouse should be expanded. While nothing prevented Rovira and other employees from seeking redress from AT&T or the legislature,

very compelling set of circumstances. Health benefits resonate with people in a way that nothing else does. That doesn't mean other benefits aren't important, but this case was designed to be the opening wedge."

Under the settlement, both gay and heterosexual domestic partners now receive the same health benefits available to spouses and dependent children.

Employers do not always treat all domestic partners equally, however. In 1991, Lotus Development Corporation extended domestic partner health care benefits for same-sex couples only, on the grounds that opposite-sex couples could qualify simply by getting married. The policy caused such an uproar



Many of the companies that have been most progressive in extending benefits are in vigorous, fast-growing sectors of the economy.

absent such efforts, ERISA took precedence.

"We argued that AT&T's promise not to discriminate on the basis of marital status and sexual orientation applied to the administration of its pension plan," says Suzanne Goldberg, a Lambda staff attorney. "The court ruled that ERISA preempted not only state and local law, but also the application of an employer's promise."

Even when the plan sponsor is a public entity, not covered by ERISA, and does not restrict the definition of beneficiary to spouses, the question arises as to just how many benefits the sponsor would be willing to extend to domestic partners.

In last year's settlement of a widely watched 1988 court case, *Guy Teachers Association, et al. v. The Board of Education of the City of New York*, post-retirement benefits were specifically excluded. The attorneys arguing the case decided to focus on obtaining health benefits—in part because the need for these could be readily understood by a wider public, but also to avoid any legal complications stemming from ERISA.

"When we filed this case in 1988 there was very little actual accomplishment, legal or otherwise, toward getting recognition of these benefits," says Wolfson. "The idea was to take the cleanest possible case and a

among Lotus employees that they generated enough electronic mail to crash the company's e-mail system. Management has yet to expand the coverage, however.

An inexpensive addition

The growth of defined contribution plans has made it easier to extend some level of retirement benefits to domestic partners, however, because the plan participant can designate the beneficiary—including a domestic partner.

"What ignited it for us in thinking about domestic partners and spousal equivalent benefits was our employee population," says Tomas Mathews, director of human resources at IDG. "We had a number of employees—gay and lesbian employees—as well as the rest of our population that brought the issue forward."

When IDG extended "spousal equivalent benefits" to its US employees in April of last year, the benefits included health and retirement. The company offers its roughly 5,000 employees worldwide a 401(k) plan, but with no employer contribution. While it is privately held, IDG also has an employee stock ownership plan that is virtually identical to those offered by publicly held employers. The stock



is valued annually by an outside accounting firm.

The ESOP and 401(k) beneficiary is the employee's spouse or spousal equivalent, unless they consent to another beneficiary being named. The only benefit domestic partners are now specifically excluded from sharing is a dependent life insurance policy. "We want to attract the best people we can get wherever they come from," says Mathews, and allowing their domestic partners to benefit from IDG's retirement programs was one way to facilitate this.

In an expanding business like computer magazine publishing, which often requires high levels of employee skills, changes in benefits at one company can prompt others to make similar changes in order to stay competitive. New York-based Ziff-Davis, an IDG competitor in magazine publishing, added health and retirement benefits for domestic partners some six months after IDG announced they would offer them. Mathews notes.

But Ziff-Davis says competitive issues were not the cause. "Ours was a philosophical decision much more than a competitive decision," says Sharon Silver, director of benefits. In fact, Silver says, Ziff-Davis had already decided to offer benefits to domestic partners before IDG implemented their benefit plan. The privately held company offers its 3,700 employees a 401(k) plan with a profit sharing feature.

Whatever their concerns about competition, employers say that adding domestic partner benefits helps to maintain the perception of the workplace as fair and to boost morale. "You've got to treat

1992, MPR matches employee contributions to its 403(b) retirement savings plan. And since MPR is self-insured and does not pay dependents' health coverage, its costs were low to begin with. Domestic partners pay their own premiums, but use their health coverage less than spouses and dependents, MPR officials found. So not only has extending health benefits to domestic partners proved inexpensive, MPR is "better off economically," Kigin says.

Tax issues, and a court case

The tax issues, particularly for the employee, are a different matter, however.

When the employee pays the premium for a domestic partner's health benefits there are no tax issues, says Peter Wilson, a principal at employee benefits consultant Alexander & Alexander in San Francisco. And when the employer pays the premium for an employee's spouse, the employee is not taxed. But if the employer pays the premium for a domestic partner, the Internal Revenue Service considers it part of the employee's taxable income.

The tax issues do not stop there. If the coverage is offered through a flexible benefits plan, the premium for a spouse can be paid with pre-tax dollars, notes John Woyke, a principal at Towers Perrin in New York. But under a flexible benefits plan a domestic partner does not meet the legal definition of a dependent, and the premium can only be paid with after-tax dollars, making the payment an out-of-pocket expense to the employee.

Additionally, the law treats spouses and domestic partners very differently upon the death of the plan participant. For instance, a \$2 million taxable estate would not be subject to estate taxes until after the death of the surviving spouse, assuming the entire estate is inherited by that spouse, according to Paul Vogel, an estate planning specialist at Price Waterhouse in St Louis.

But only the first \$600,000 would be free of estate taxes if left to a domestic partner. The remaining \$1.4 million would fall into a 43% tax bracket.

Domestic partners could potentially also face a 15% excise tax on those amounts that the IRS determines are an "excess retirement accumulation." Only a spouse can elect to defer that tax until after his or her death. Additional options are available to a spouse that delay the assessment of income and

Employees and advocates remain impressed by the growing list of employers offering domestic partner benefits.

people fairly," says Thomas Kigin, general counsel at Minnesota Communications Group, the parent organization of Minnesota Public Radio. "That means equal pay for equal work. You avoid discrimination. You need to establish policies that create motivation and loyalty. By the same token, they have to be practical and economically efficient."

The radio station offered its 220 employees domestic partner health and retirement benefits in

estate taxes which would not be available to domestic partners. But the differing treatment of spouses and domestic partners may change—for same-sex couples, at least—depending on the outcome of a court battle currently being waged in Hawaii.

In *Baehr v. Lewin*, introduced in 1991, three same-sex couples are suing the state to win the right to marry under state law (see "Pension benefits for same-sex partners?" *Plan Sponsor*, May 1994). A victory would mean same-sex couples could marry and become spouses with the same legal standing as opposite-sex married couples.

Under the US constitution's "full faith and credit" doctrine, one state must recognize the official

states, including Hawaii, have sexual orientation as a protected class under their law, and no such protection is provided under federal law. In some states fierce opposition to these protections has flared up.

Indeed, if *Baehr v. Lewin* illustrates anything it is that the politics surrounding the movement to provide benefits to unconventional couples can exact a cost—as Apple Computer learned last year. The California-based company had sought \$750,000 in tax abatements over seven years to build an \$80 million, 700-employee plant in Williamson County, Texas, outside of Austin.

In an initial 3-2 vote the county commissioners rejected the deal, citing Apple's policy of extending

Domestic partners pay their own premiums, but use their health coverage less than spouses and dependents, MPR officials found.

action of another—such as marriage—absent a strong public policy reason, and so Hawaii's new definition of spouse would extend across the US.

The suit was dismissed by a lower court, but in May of last year Hawaii's Supreme Court ordered the lower court to hear the case, saying that under Hawaii's state constitution, to deny a same-sex couple a marriage license was "sex discrimination." The court placed the burden upon the state to show a compelling state interest, and no less restrictive means of achieving that interest, to justify such discrimination.

The effort faces daunting political opposition. Last April Hawaii enacted a bill affirming that the state's marriage licensing laws apply only to opposite-sex couples. In an obvious poke at the Supreme Court, the bill's preamble states, "Any change in these laws must come from either the legislature or a constitutional convention, not the judiciary." But the bill also established a commission to "examine the precise legal and economic benefits" that are denied to same-sex couples, and how the Hawaii legislature could extend benefits to those couples short of allowing same-sex marriage.

Meanwhile, a trial is scheduled in *Baehr v. Lewin* for the lower court next April. With appeals assured on any ruling favored by either side, a decision is expected in 1996 from Hawaii's highest court.

Whether the other 49 states would extend "full faith and credit" to Hawaiian marriage certificates granted to gay couples is a thorny issue. Only eight

benefits to the domestic partners of its employees. One commissioner went so far as to suggest that Apple could not follow this policy in Texas, where sodomy remains a crime. Ultimately, one commissioner changed his vote and Apple went ahead with the new plant—but only after the county garnered national press and Texas Governor Ann Richards intervened.

A win in the Hawaiian case could bring that sort of explosive fight to the national level, gay advocates say. "My sense is that if the Hawaii case comes out with a decision in favor of gay marriage there will be national opposition and Congress will enter the fray," says Greg King, communications director at the Human Rights Campaign Fund (HRCF), a Washington, DC-based gay lobbying group. "Congress, as it is currently constituted, will oppose it."

This is not to say that domestic partnership benefits would face the same fate. HRCF polling data indicates that people in the US tend to have a basic sense of fairness that is offended by discrimination and inequality. The fund has found "broad support" for domestic partnership benefits, despite minimal support for "gay marriage."

"There's a underlying sense among the electorate that discrimination is wrong, but that marriage is special," King says. "What we might end up with is a situation with a call against gay marriages, but a recognition that some sort of fairness has to be enhanced by supporting domestic partnership." 65

Plan

Design &

Administration

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Stewart D. Lawrence and John J. Fadel

"Total Compensation" Plan Design: The Dollars and Sense of Adding Domestic Partner Health Coverage

1994
Benefits, employee
Domestic partners

Domestic partner coverage has been receiving a good deal of media attention lately as private—and public—sector employers have begun to add domestic partner coverage to their health benefit programs. More than 60 organizations now offer domestic partner coverage; most have been introduced over the past few years. Many other groups that are now considering offering health benefits to spousal equivalents of employees want to know how others have assessed the costs associated with extending these benefits and what their experience has been to date. In estimating costs for extending benefits to domestic partners, two questions must be asked and answered:

1. Will the cost of adding a domestic partner be the same as adding a spouse?
2. How many employees will enroll a domestic partner for coverage?

The answer to the first question is straightforward—to date, experience demonstrates that the cost of

adding a domestic partner is the same as the cost for adding a spouse. But the second question, dealing with enrollment, can only be answered by considering certain variables, such as the size of the group, the eligibility criteria established and the cost to the employee.

The cost experience study discussed in this article represents information that may be helpful for plan sponsors who are formulating policy on whether or not to offer domestic partner benefits. It has been compiled by The Segal Company based on information provided by organizations sponsoring domestic partner benefits and on other independent research.

BACKGROUND

According to the United States Bureau of the Census, in 1970, there were 21.4 million single adults in the U.S. By 1990, there were 40.4 million single adults, an increase of almost 89 percent in just 20 years. Apparently, many of these "single" people do not live alone. Estimates by the Census Bureau are that in 1990, almost 5 percent of the more than 94 million households in the U.S. consisted of two unrelated adults who identify themselves as "partners"—a term that is not defined by the Census Bureau. In 40 percent of the house-

holds with two unrelated adults of opposite sexes, the householder is in the 25- to 34-year age group that is often the focus of employers' recruitment efforts. Similarly, in 32 percent of the households with unrelated, same-sex partners, the householder is a member of that key age group.

Employers have begun to recognize these relationships by extending health coverage to domestic partners—often defined as adults who share an emotional, physical, and financial relationship similar to that enjoyed by married couples but who either choose not to marry or cannot legally marry.

Many of these employers are being more assertive in promoting workforce diversity and have already implemented nondiscrimination clauses in human resource policies. Offering health benefits to domestic partners may be considered a natural extension of these policies.

DOMESTIC PARTNERSHIP COSTS

Private-Sector Cost Experience

It is true that when dependents are added to a health plan, costs increase. But the percentage increase, based on the size of the benefits budget, may be very small. At Stanford University, for example, the annual cost of extending health coverage for

Stewart D. Lawrence is Senior Vice President, Regional Manager, and Practice Leader - Corporate Practice, The Segal Company, New York, NY.

John J. Fadel is Benefits Consultant, The Segal Company, New York, NY.

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domestic partners was recently estimated at \$100,000. This was only 0.4 percent of a \$24 million budget for health care.

Stanford University began covering domestic partners in February 1993. When the university approached its three HMO carriers with the request for this coverage, the carriers' initial response was to increase costs by charging an additional amount based on the assumed added risk of covering domestic partners. Their intention was to "rate load" between 0.6 percent and 1 percent. Stanford challenged the carriers, and ultimately all loading was dropped. One HMO, however, did charge a flat rate fee of \$5,000 to extend benefits to domestic partners.

It is not necessarily true, however, that covering a domestic partner adds more risk than covering a spouse. This may be good news for those organizations that are considered offering domestic partner coverage. There are at least two reasons why this is not a surprising result. Domestic partners are less likely to have children (and, therefore, have fewer dependents to cover) and they are likely to be younger, on average, than the group as a whole.

Many organizations fear that a disproportionate number of AIDS-related claims will arise from covering domestic partners. However, of the health benefit plans examined by the Bureau of National Affairs in 1991, none have experienced an AIDS-related claim filed by a domestic partner of an employee. Sponsors

of these surveyed plans claim that their initial concerns regarding the high costs and risks of such coverage were unfounded. Other independent research has yielded the same conclusion.

While AIDS-related claims may be inevitable for some of these plans, it is important to note that many health plans already provide coverage for AIDS and that the average cost of treatment has been between \$50,000 and \$70,000 for the individual's lifetime. This amount is not insignificant, but other illnesses can be more expensive. For example, two weeks in intensive care following a heart attack can cost in excess of \$50,000, not including surgery, related expenses, and follow-up care.

Further evidence of the cost of other catastrophic illnesses can be found. Research conducted by Lotus Development Corporation and The Segal Company as part of the development of a domestic partner benefits program for Lotus indicated the following:

1. The cost of covering AIDS is less than that of other catastrophic illnesses. Some average costs of care per case are:
 - Heart disease: \$50,000 - 70,000
 - Cancer: \$30,000 - 100,000
 - Premature birth: \$70,000 - 1,000,000
 - AIDS: \$50,000 - 70,000
2. There is no significant difference

in the cost of covering same-sex versus heterosexual partners.

3. The risk of fraud is minimal. In addition to financial risks inherent in the domestic partner contract (e.g., each domestic partner could be held liable for the other's debts; it could be used in partition suits), an employee who signed a contract fraudulently would lose his or her job. Both these are strong deterrents.

The Segal Company/Lotus structure is supported by the experience of Consumers United Insurance Company, which offers domestic partner coverage in every program it offers. It has done so for the past nine years. Consumers United offers the same programs at the same cost whether spouse or a domestic partner is covered. The company's claims experience shows no difference between covering a spouse or a domestic partner.

The *Village Voice* (a week newspaper published in New York City), which introduced benefits for domestic partners in 1982, reports that covering a domestic partner costs the same as covering a married spouse. When the *Voice* started covering domestic partners, its health plan was self-insured; it has since switched to an insured situation, carrier, Group Health Inc. (GHI). New York, covers domestic partners.

1. GHI is a not-for-profit health care service organization that provides both indemnity and managed care coverage to insured groups.

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of the *Village Voice's* covered employees at the same rate as for any other single employee.

International Data Group, Levi Strauss, and Silicon Graphics also recently began offering domestic partner benefits. Even though their experience has been somewhat limited, they have reported that they do not foresee any significant rise in health costs from the benefits that have been extended to domestic partners.

Public Sector Cost Experience

The City of Berkeley, California, began providing benefits to domestic partners through its own indemnity plan in 1985, the first city in the U.S. to do so. Because of a lack of statistical data, Kaiser Permanente and the HEALS HMO plans offered to city employees delayed domestic partner coverage until 1987, and extended it only when an additional 1.5 percent "rate loading" was added to the normal premiums. This surcharge was discontinued in 1989, after the City was able to demonstrate four years of domestic partner coverage without any claims for AIDS or other catastrophic illness. Since the City's rates have not been adversely affected, the cost to the City is limited to the premium costs associated with the additional dependents. This amounts to \$125,000 per year.

The City of Seattle, Washington, has included the domestic partners of City employees as eligible dependents in the City's medical and dental plans since 1990. According to the

Wall Street Journal (December 29, 1992), the cost for insuring employees' unmarried partners is less expensive than covering employees' spouses. In 1991, the Group Health Cooperative HMO added a 5.0 percent surcharge to the monthly premium for domestic partner coverage; the Pacific Health HMO added a 4.2 percent surcharge, and Washington Dental added a 1.2 percent surcharge. As of January 1, 1992, both HMOs and Washington Dental Service dropped the surcharge and based premiums solely on the number of enrollees. The Santa Cruz Metropolitan Transit District and Santa Cruz County, California, extended medical benefits to domestic partners in 1987 and 1990, respectively. Both plans are self-insured and to date have reported no unusual claims experience.

LIKELY ENROLLMENT OF DOMESTIC PARTNERS

The second component of the cost—how many domestic partners will enroll—depends on the size of the group, eligibility criteria, and the cost to the employee. For groups that have put this coverage in place, the enrollment had varied from less than 1 percent of the employee population to 9 percent. Plan sponsors that include both opposite-sex and same-sex couples have been at the higher end of this range. Experience shows that when sponsors offer health coverage to both groups, opposite-sex couples are more likely to enroll (see Exhibits 1 and 2).

Experience also shows that many employees with domestic partners have not enrolled them in their employers' health plans. Most probably this is because many domestic partners already have coverage elsewhere and because the cost of coverage is taxable to employees. Several IRS Private Letter Rulings have stated that an amount equal to the fair market value of the cost of providing coverage to a domestic partner must be imputed, that is, added to an employee's wages for purposes of withholding and payroll taxes.

Private Sector Enrollment Experience

For private sector employers that have extended benefits to domestic partners, the numbers enrolled have been small. In June, 1993, Levi Strauss reported that 0.8 percent of eligible employees (200 out of 25,000) enrolled a domestic partner in their plan. As of June 1993, Montefiore Medical Center in the Bronx, New York, says that only 0.29 percent of their employees (20 of 7,000) enrolled in domestic partner coverage. (Montefiore limits their coverage to same-sex partners.) Lotus's experience has been consistent with these figures. As of January 1993 14 (0.45 percent) of its 3,100 employees signed up for domestic partner benefits, which are available only to same-sex couples.

The *Village Voice* is at the high end of the range, with 9.4 percent of employees enrolled in domestic partner coverage. As of January 1993 the

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EXHIBIT 1.

Enrollment Statistics by Type of Domestic Partners and Number of Domestic Partners Enrolled

	Same Sex	Opp. Sex	Total Number of Employees	Year
<i>Private Sector Employers</i>				
Lotus	14*	N/A	3,100	1/93
Montefiore Medical Center	20*	N/A	7,000	6/93
Village Voice	5	11	185	1/93
Levi Strauss	30	120	25,000	6/93
<i>Public Sector Employers</i>				
Berkeley, CA	20	105	1,475	4/93
West Hollywood, CA	10	5	180	7/93
Santa Cruz, CA	2	18	650	5/93
San Francisco, CA	**	**	30,842	1/92†
Seattle, WA	143	333	3,000	7/93

* Available only to same-sex partners.

** San Francisco did not release data on number of same-sex and opposite-sex partners enrolled. They reported a total of 177 dependents (including children) enrolled as of 1/92.

† Most recent data available.

Source: The Segal Company

EXHIBIT 2.

Enrollment Statistics by Type of Domestic Partners and Percentage of Total Eligible Employees Enrolled

	Same Sex	Opp. Sex	Total	Year
<i>Private Sector Employers</i>				
Lotus	0.45*	N/A	0.45	1/93
Montefiore Medical Center	0.29*	N/A	0.29	6/93
Village Voice	3.30	6.10	9.40	1/93
APA	0.33	0.33	0.66	
Levi Strauss	0.32	0.48	0.80	6/93
<i>Public Sector Employers</i>				
Berkeley, CA	1.40	7.10	8.50	4/93
West Hollywood, CA	5.60	3.30	8.90	7/93
Santa Cruz, CA	0.31	2.76	3.10	5/93
San Francisco, CA				
Seattle, WA	2.30	4.70	7.10	6/92†

* Available only to same-sex partners.

† Most recent data available.

Source: The Segal Company

Voice reported that of 185 employees 17 couples were enrolled, six of them same-sex and 11 opposite sex.

PUBLIC SECTOR ENROLLMENT EXPERIENCE

Public-sector employers have generally experienced higher enrollment than private sector employers. In the City of Seattle, as of July 1993 approximately 5.9 percent of employees (476 of 8,000) eligible for benefits had enrolled as domestic partners in the city's health plan. Of the employees registered, approximately 70 percent (333) were opposite-sex partners while 30 percent (143) registered same-sex partners.

As of April 1993, the City of Berkeley, California, had 1,477 employees, of whom 125 had enrolled for domestic partner benefits. Of these, 20 (1.3 percent of all employees) have same-sex partners while 105 (7.1 percent of all employees) have opposite-sex partners. Sixteen (8.9 percent) of the 18 employees of the City of West Hollywood, California, enrolled domestic partners as of July 1993. Six were opposite-sex couples; ten were same-sex.

As of May 1993, of 650 employees of Santa Cruz, California, 20 had signed up for domestic partner benefits. Two are same-sex couples (0.2 percent); 18 are opposite-sex couples. The City of San Francisco, California, indicated that 3,701, or 12 percent of the City's more than 30,000 employees, have domestic partners. However, only 161 partners and dependent children had actual

"Total Compensation" Plan Design

signed up for benefits as of January 1, 1992, and more recent data have not been released.

CONCLUSION

Most organizations that already cover domestic partners are confident that the risk of incurring additional catastrophic cost is minimal. The

number of employees who actually enroll a domestic partner remains small in most cases. Some already have coverage through their own employer, and the after-tax cost of the benefit tends to keep enrollment down.

Employers who are considering the addition of domestic partner ben-

efits should carefully examine potential cost increases, within the context of actual expense, rather than instinct or guess. They should, instead, understand that extending health benefit coverage to domestic partners of employees is an important human resources decision that requires sensitivity and careful planning.



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Domestic Partner Benefits Are Catching On . . . Slowly

Employers' experiences show providing benefits for domestic partners costs no more than doing so for heterosexual married couples.

By Aurora Mackey

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Benefits, employee - Domestic partners

A growing number of private and public companies nationwide have begun offering medical and other benefits to the unmarried "domestic partners" of employees. Employers are extending these benefits to respond to employees' needs and preclude potential discrimination charges.

WHY EXTEND BENEFITS?

The number of households with couples living together outside of marriage is rising, according to a 1991 survey on domestic partners by Hewitt Associates, benefits consultants in Lincolnshire, Ill. The U.S. Census Bureau estimates that 4.2 million households or 4.6% of the 91 million households in the United States, are made up of unmarried couples. Almost 2.6 million of these households are made up of gay and lesbian couples. This means that 3.4 million adults have a domestic partnership, according to Hewitt.

Aurora Mackey is a freelance writer based in Los Angeles.

Some employers, especially those that have nondiscrimination clauses that include sexual orientation, say offering domestic partner benefits is an issue of parity.

"Our position was to make our benefits equitable," says Bill Keegan, spokesperson for Apple Computer Inc., which made same-sex domestic partner benefits available to its 12,500 employees worldwide last year. "We don't want to define what a family is."

Others say they take pride in offering the best benefits, and consider offering benefits to domestic partners as another way to attract or retain employees.

"A lot of companies also simply want to be responsive to employees' needs," says Loralie Van Sluys, a Hewitt researcher. "My company, for instance, began offering domestic partner benefits this year after employees asked for it."

Since 1991 Van Sluys has been tracking which companies offer domestic partner benefits. She says the majority of companies that do so tend to be in high-tech or creative industries, such as computers

or entertainment.

But other companies are interested as well. Gary Cormier, senior human resource manager at Lotus Development Corp., a computer software company in Cambridge, Mass., which began offering what it calls "spousal equivalent" benefits in 1991, says his company receives between 50 and 75 calls each month from businesses across the country that are considering offering the benefits.

Currently, more than 70 major companies offer domestic partner benefits for gay partners, including Lotus, Silicone Graphics Inc., MCA Inc., Microsoft Inc., Viacom Inc., Apple Computer, and HBO Inc.

The majority of companies offering domestic partner benefits do so solely to partners of gay and lesbian couples, says Van Sluys. However, some companies, such as Ben & Jerry's Homemade Inc. and Levi Strauss, have extended health care benefits to unmarried heterosexual couples.

Few companies cite legal pressures as a motivator. Instead, Van

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Sluys says, geographic location is more likely to be an influence, especially where laws explicitly prohibit employment discrimination on the basis of sexual orientation. Growth of domestic partner benefits has been strongest in California and the East Coast, she says. Currently, Van Sluys says, eight states have enacted laws that prohibit employment discrimination on the basis of sexual orientation, and 70 cities and counties have passed legislation prohibiting discrimination. Also, several municipalities have approved initiatives that allow unmarried heterosexual or homosexual couples to register as domestic partners. They include Minneapolis; San Francisco; Ithaca, N.Y.; and Madison, Wis.

Late last year, New York became one of the latest states to open up the way for offering domestic partner benefits when the Department of Insurance lifted its 54-year prohibition against providing health insurance to domestic partners. California amended its insurance code to prohibit such discrimination in 1991, and Hawaii, Massachusetts, and Wisconsin all have since enacted similar legislation.

But sometimes the law isn't always the catalyst. In 1991, Montefiore Medical Center in New York became the largest private employer in the country to provide health benefits to the partners of gay and lesbian employees, after the hospital's staff talked with members of the American Civil Liberties Union's Gay Rights Project.

Based on statistics for the population in general, hospital staff learned that as many as 900 employees—or 10% of the hospital's workforce—could be eligible for the benefit.

"Research shows that committed gay and lesbian



TOWARD PARITY

Although there are no laws directly requiring employers to make the exact benefits available to domestic partners that the spouses of employees receive, Van Sluys says the companies that do provide domestic partner benefits—about 50 Fortune 500 companies so far—do so with the intention of providing the same coverage. Viacom, an entertainment company in New York with 5,000 employees, began offering domestic partner benefits to same-sex

couples last year. Health coverage is identical to that offered to married employees, and is offered under the company's self-insured indemnity plan.

Does offering domestic partner benefits make sense for companies financially? While many companies are reluctant to reveal their cost-benefit analysis, some trend data indicate that it isn't any more expensive than offering benefits to married couples.

"The company decided it made good financial sense; we wouldn't have offered it if it had been exorbitantly expensive," says Apple's Keegan, who declined to reveal the number of employees who have registered for the benefits or the types of claims that have been filed.

Bryan Simmons, a spokesperson for Lotus, would say that, as of last month, about 20 of the company's 3,300 U.S. employees had registered for the benefits. The company's claims experience, he says, "has been what we expected from research—that committed gay and lesbian couples were at no greater risk for catastrophic illness." In fact, at Levi Strauss, the cost per covered life for the group covered by domestic-partner benefits was significantly lower than that of heterosexual couples.

LOW NEW ENROLLMENT

Even when companies do offer the benefit, a small percentage of employees actually sign on. Stanford University calculated that less than 1% of its employees would apply for the benefits, which appears to have matched the experience of several other companies and municipalities.

According to a 1993 report by the Segal Company, an employee

benefits company in New York, the percentage of employees who register for domestic partner benefits tends to be less than 5% of the company's workforce, although it isn't unusual for it to be below 2%.

When the city of Seattle instituted health coverage for both gay and lesbian and unmarried heterosexual couples in 1990, for example, it predicted an estimated 300 workers would sign up and allocated \$430,000 for the benefit. A year later, fewer than 200 had asked for the benefit.

COST IS A CONCERN

Of major concern to many companies, of course, is the cost of insurance. Some also fear exposing themselves to the exorbitant costs of covering AIDS victims—which also is one reason some insurers have refused to cover domestic partners.

So far, however, companies such as Lotus and Apple Computer report such fears are unfounded.

"That's definitely a bias that people in general tend to have—that AIDS cases could drive costs up," says Cormier. "But we haven't seen it. In fact, we have not seen any negative financial impact."

Dale Grant, vice chair of the Segal Co., says there currently is no evidence that coverage of same sex partners is any more costly than for the population at large.

"You typically have fewer dependents and no maternity costs, which can involve a lot of cost if you have high-risk pregnancies," Grant says.

Another factor is enrollment. Not all eligible employees sign up for the benefits, either because their partners already have insurance through another job, or they opt not to make their sexual pref-

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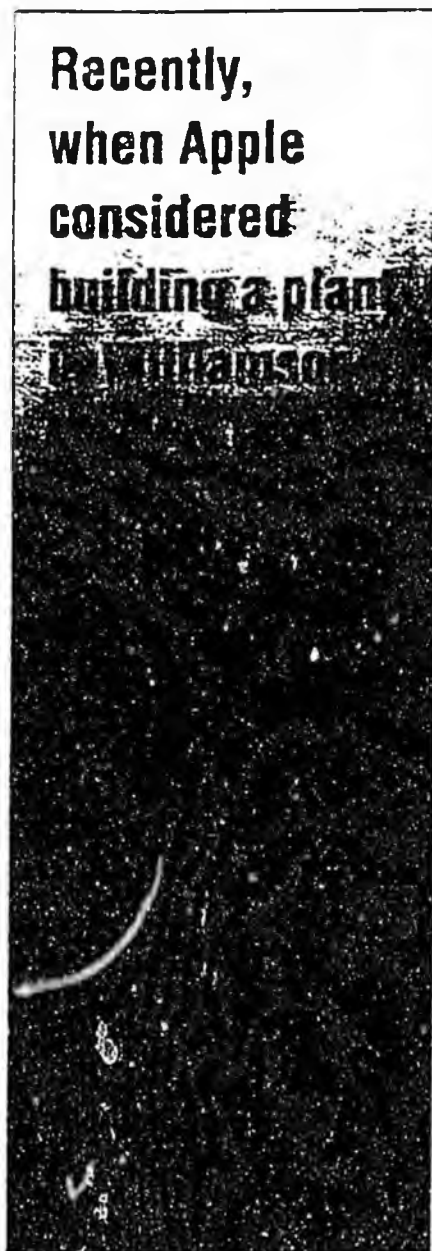
erence or living situation known. Gay rights advocates have estimated that only one homosexual employee in 10 reveals his or her sexual preference in the workplace.

Nevertheless, many insurers willing to cover domestic partners moved cautiously. Concerned about the lack of underwriting experience and the lack of control over the risk pool, many initially levied a surcharge to cover expected additional claims, according to a the Hewitt report on domestic partner benefits. Only after several years experience had failed to justify it, Grants says, was the surcharge dropped.

WHO PAYS?

Some employers that have been particularly concerned about the cost of extending domestic partner benefits have asked employees to pay the entire cost of covering their domestic partners. In other cases, when health care benefits are offered under a flexible benefits plan—those in which employees pay all or part of the cost of dependent coverage—the coverage for domestic partners is included.

The Seattle Symphony recently announced it would extend health care benefits to same- and opposite-sex domestic partners, basing its plan on that offered by the city of Seattle. The orchestra's traditional indemnity plan was replaced with a PPO offered by the Travelers Cos., Hartford, Conn. The orchestra's artistic administrator says that, under the PPO plan, in-network services will be covered at 90% and out-of-network services at 80%. Management also will cover 100% of the health care premiums, as well as any increase in the plan's base premiums up to a



limit of 15%.

At Lotus, Cormier says the employee has to pay for the coverage with after-tax money, which is about \$1,350 a year. The main reason, he says, "is because the IRS doesn't recognize domestic partners. If a married employee wanted to cover his spouse, for example, he could pay with pre-tax money."

In 1991, Lotus reportedly spent

about \$30,000 in annual premiums to insure 12 "spousal equivalents." None of that was tax deductible because of the IRS' stance on unmarried partners. In private letter ruling 9034048, the IRS said that an employer's contribution to the insurance coverage of an employee's domestic partner is not excludable from the employee's gross income.

According to the IRS, employers must report income in the employees' W-2 forms, based on the fair-market value of their domestic partner benefits, even if the benefits aren't used.

And while it isn't required by law, Grant of the Segal Co. says most employers that extend the benefits to employees' domestic partners also make COBRA benefits available.

But while the tax implications for employees are seemingly clear, there is greater uncertainty regarding the tax ramifications for employers. If a company's group health coverage is funded through a voluntary employee beneficiary association, for example, then offering coverage to domestic partners could cause the employer to lose its tax deduction under that code.

COMMUNITY PRESSURES

Aside from employers' concerns about covering the costs of AIDS, some employers worry about the negative effect that offering such coverage to gay and lesbian employees could have in their communities, or with customers and stockholders. That fear is not unfounded, especially in view of the recent furor that erupted when Apple's domestic partner policy became known in conservative Williamson County, Texas.

"The community essentially thought it was not in keeping with the moral climate there," says Keegan.

"But we said we are committed to this, that we are progressive, and that we are in a competitive industry and need to remain so," Keegan says. Eventually, the country backed down.

But other companies report little or no backlash. Of several hundred letters received by Lotus, for example, 80% have been positive. Within the companies, the response also has tended to be positive.

"I've heard people say that they don't understand what all the fuss is about," says one Appie employee who asked not to be identified. "We're part of an organization doing the right thing, and I'm glad to be a part of a company like that. It's coverage for human beings."

Simmons of Lotus adds that attitudes have changed dramatically in the last three years, and that companies instituting domestic partner benefits today would likely have a much easier time of it. "Three years ago, insurers were nervous. There were a lot of assumptions made about what the costs would be. That's now been demystified."

DEFINITIONS

Issues employers need to address are crafting a workable definition of what constitutes a domestic partner; assessing what the additional cost of awarding benefits will be, and how those costs will be shared between employer and employee; determining what the tax treatment would be for benefits provided to domestic partners; and staying abreast of emerging legislative, regulatory, and judicial

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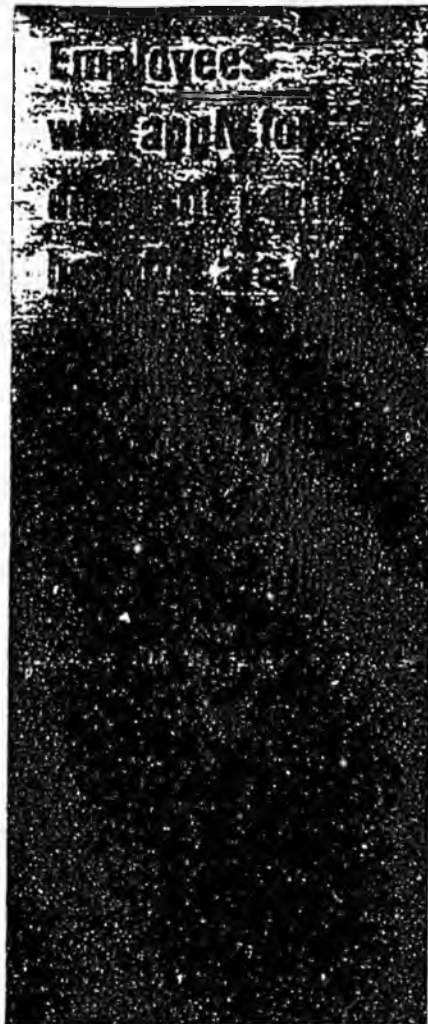
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Domestic Partner Benefits

initiatives that could influence the programs. (See "Facing Domestic Partner Issues," February.) Simmons says employees who apply for domestic partner benefits are generally held to "a much higher eligibility standard" than married employees. Often, they are required to sign an affidavit of "spousal equivalency," or asked to document that they are financially codependent. They are required to reside together during the period of coverage, and to prove that they have been living together for a period of time—usually six months to a year. Some employers require employees to sign an affidavit promising to reimburse the employer for the cost of providing benefits if their domestic partner is not "legitimate." And, if the couple breaks up, Simmons says, the



employee is not allowed to add a new person to the policy for one year.

Meanwhile, there's a growing cadre of employees at major companies, including AT&T, American Express Co., RJR Nabisco Holdings, NYNEX, and The Walt Disney Co., among others and pressuring their employers to institute domestic partner benefits.

"No one is predicting that domestic partner benefits ever will be big or widespread. There clearly will be some companies that will sit on the fence and do nothing," says Van Sluys.

However, she adds, "As the workforce continues to diversify, this may be something that a lot of companies realize they simply need to do." ■



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Benefits, employee
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Domestic partner benefits pose new challenges for employers

By Andrew D. Sherman and John J. Fadel
The Segal Co.

EMERGING ISSUE ANALYSIS

EMPLOYERS THAT want to attract and retain highly productive employees must address the benefits needs of an increasingly diverse work force. While most employers have benefits designed for traditional families, and more attention is being paid to working parents, some employers are beginning to offer benefits for nontraditional families. Some employers, in particular those with young and diverse work forces, have extended benefits to domestic partners — same-sex or unmarried opposite-sex couples.

The U.S. Census Bureau estimates that unmarried couples represented 4.2 million households in 1993. Of these, 1.6 million households were composed of same-sex couples.

The number of organizations offering domestic partner benefits has increased tremendously in recent years. During the past year, Microsoft Corp., Apple Computer Inc., Home Box Office, Viacom and New York City added domestic partner benefits. Universities such as Yale, Stanford, Harvard and the University of Pennsylvania also offer benefits. For the most part, such benefits are confined to entertainment and high-technology companies, as well as academic institutions and municipal governments.

Mixed Corporate Reactions

The issue is not without controversy.

Employers that offer domestic partner coverage say these benefits help attract and retain employees who

are looking for fairness and equity. In some companies, gay and lesbian employee groups have requested such benefits.

Other employers have decided not to offer domestic partner benefits for various reasons, including the fear of cost increases or of a backlash for what may be considered "condoning certain lifestyles," the lack of data indicating a need for such benefits or a conservative corporate culture.

Employers that offer domestic partner benefits say they have found that the programs do not cause a dramatic rise in costs, and are no more difficult to design and administer than existing benefits programs.

Last November, Apple faced a showdown with government officials in Williamson County, Texas, where the company was planning an \$80-million complex. In a highly publicized confrontation, some elected officials denounced Apple's policy of offering domestic partner benefits as contrary to community values, and they pressured the company by threatening to vote against tax breaks. Apple stood its ground, and the tax breaks were approved.

Employers that offer domestic partner benefits say they have found that the programs do not cause a dramatic rise in costs, and are no more difficult to design and administer than existing benefits programs. Furthermore, those offering such programs note that they allow employers to demonstrate nondiscriminatory em-

ployment policies and recognize a diverse work force.

Cost and Enrollment Considerations

The cost of providing health coverage to domestic partners concerns most employers, because adding dependents increases plan costs. Some employers expect a surge in claims for catastrophic illnesses.

Although long-term studies are not yet available because domestic partner benefits are so new, experience indicates that there is no sudden increase in claims, such as for AIDS-related illnesses. A 1991 Bureau of National Affairs survey, the most recent conducted on the subject, showed that none of the surveyed em-

ployers that offered domestic partner coverage experienced an AIDS-related claim filed by an employee's domestic partner.

When the City of Berkeley, Calif., first ordered domestic partner

benefits in 1985, its HMO imposed a 2-percent loading fee to protect itself from potential catastrophic costs. The HMO dropped the surcharge after the city demonstrated four years of domestic partner coverage without any claims for AIDS or other catastrophic illness.

AIDS-related claims average \$119,000, according to the most recent federal "AIDS Cost and Utilization" survey. Other medical problems can be more expensive. A premature birth, for example, can cost as much as \$1 million. Some groups, including the City of Seattle and HBO Inc., claim that covering domestic partners is less expensive than covering a spouse. Lotus Development Corp. and Levi Strauss & Co confirm that domestic partner coverage costs the same or less

Continued on next page

Continued from previous page

than covering a spouse or other dependent.

Many insurance carriers still consider coverage for domestic partners risky and may increase rates. Stanford University, which began covering domestic partners in February 1993, met some resistance from its three insurance carriers. The carriers charged a premium based on the assumed added risk of covering domestic partners. Their intention was to "rate load" between 0.6 percent and 1 percent. Stanford challenged the carriers and ultimately all loading was dropped. One carrier, however, added a \$5,000 surcharge to the university's premium to extend benefits to domestic partners.

Experience shows that participation in domestic partner benefits programs is quite low. Domestic partners are likely to work and already receive coverage through their own employer, and an employee usually is faced with additional income tax on the value of the benefit unless the domestic partner meets a specific Internal Revenue Code definition of "dependent." For example, only about 1 percent of Levi Strauss' employees have elected domestic partner coverage (both same- and opposite-sex couples) since the benefit was first offered in 1992. Similarly, at the University of Iowa, only 16 (0.11 percent) of 14,000 total eligible employees enrolled in the domestic partner benefit program (same-sex couples only). In the City of Seattle, 476 (5.9 percent) of 8,000 eligible employees enrolled (same- and opposite-sex couples).

Many employees consider their companies' offering of the benefit a "safety net" and goodwill gesture, even though they do not plan to use it.

Many companies only offer domestic partner benefits to same-sex couples as a way to limit enrollment. Employers that do not extend benefits to unmarried opposite-sex couples may do so because this group has a legal avenue to benefits — marriage.

Implementation

Defining the term "domestic partner" under the plan is important. Partners typically sign an affidavit attesting to some or all of the following parameters: they live together; have a long-standing, close, personal relationship; are respon-

Experience shows that participation in domestic partner benefits programs is quite low.

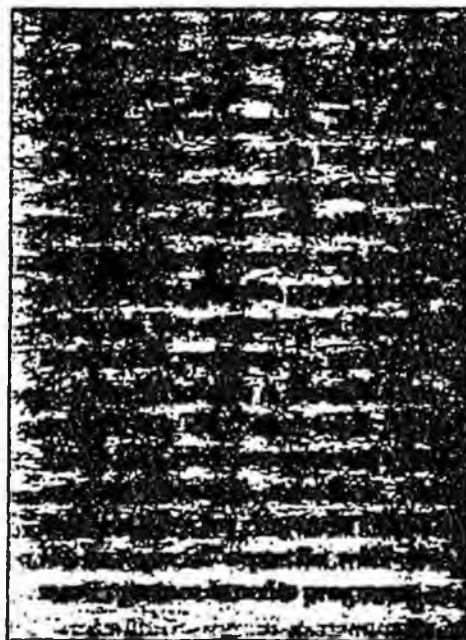
sible for common living expenses and each other's welfare; if possible, are registered in a municipality as domestic partners; are not legally married or are not the domestic partner of anyone else; and are not more closely related than would be allowed legally for marriage.

Some programs require additional documentation, including proof of a common address, joint financial interests, such as bank accounts, and for dependents of domestic partners, proof of childbirth or adoption.

Senior management's public support for the program can establish a positive setting and contribute to its success.

Plan Design Issues

Defining coverage is key. At the outset, some employers offer only one or two benefits and add more comprehensive coverage at a later date. For example, Apple first offered family bereavement and sick leave, adoption assistance, a child care resource and referral service, access to the company's fitness center and relocation benefits to domestic partners. Medical plan coverage, mental health



benefits, prescription drugs and other supplementary benefits were added later. Lotus, on the other hand, changed all of its benefits and human resources policies at the same time.

Tax Implications

Tax implications are another plan design issue. Domestic partners do not meet the Internal Revenue Code's definition of a dependent and are not legal spouses.

IRS Private Letter Rulings indicate that an employee would be taxed on the value of the coverage provided to a domestic partner.

Employers that offer benefits through Section 125 plans face certain design issues relative to the use of pretax dollars. Tax implications vary for employers depending on the funding mechanism.

Administration

A well-designed domestic partner benefits program requires careful administration. Maintaining employee confidentiality is key because some employees are sensitive about revealing their sexual orientation to co-workers and management.

Plan provisions should be communicated clearly to employees. Employees should understand how long a domestic partner relationship must be in place before benefits are available, what benefits are covered, how to apply for them, how to terminate coverage and whether continuation rights, such as those provided by the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), are available.

In addition, employers may stipulate that employees wait a specified amount of time between ending one domestic partner relationship and establishing a new one before providing benefits.

Modest Cost, Appreciated Coverage

Experience to date shows that cost increases are modest and that affected employees appreciate the coverage.

More than 100 companies and organizations are known to offer domestic partner health benefits, and many other companies and organizations are offering other types of benefits. Although benefits vary, the practice is growing as employers recognize nontraditional families within their work forces and the need to provide unique benefits to recruit and retain employees.

Current Domestic Partnership Policies

Forward

The movement toward domestic partnership benefits in the workplace is rooted in the egalitarian principal that equal work warrants equal pay, including employment benefits. For many employees, those benefits can amount to 25 percent of their total compensation. So when employers extend benefits to the spouses of heterosexual employees, the same benefits should go to the partners of homosexual employees. After all, gay and lesbian couples are functionally equivalent to married couples.

While domestic partnership benefits are a worthy goal, they don't assure full equality in the workplace because these benefits are subject to income tax, unlike benefits for married couples. Also, they don't begin to address the many other aspects of inequality — such as child custody, hospital visitation, inheritance — that would be addressed by legal same-sex marriage. In fact, same-sex marriage legislation could in one stroke assign to gay and lesbian couples all the equal rights and responsibilities guaranteed under the Constitution. This is why we have always advocated same-sex marriage.

All listings herein have been gleaned from news reports, information received directly from companies or their employees, and lists developed by the National Gay & Lesbian Task Force the Wall Street Project and others. Many, but not all, have been verified. All are subject to change.

Private Employers that Offer Benefits

In the past, nearly all companies extending benefits have been self-insured — this is now changing.

After March 1994, national insurers like Aetna, CIGNA and Prudential include, at least in parts of the country, domestic partners in fully insured health plans.

Most of the plans noted below define domestic partners to include gay and lesbian couples as well as unmarried heterosexual partners. Benefits vary widely. Those entities marked with an asterisks (*) offer bereavement and/or family illness leave only. Unless otherwise noted, other listed employers offer benefits that include some form of health insurance coverage for domestic partners of employees.

Adamaon, Inc., Oakland, Calif.
Adobe Systems, Mountain View, Calif.
Advanced Microdevices, Sunnyvale, Calif. & Austin, Texas
American Civil Liberties Union, Philadelphia, San Francisco, New York
American Cyanamid*
American Friends Service Committee, Philadelphia, Pa.
American Psychological Association, Washington, D.C.
American Red Cross, Minneapolis, Minn. branch
Apple Computer, Cupertino, Calif.
ASK Software Corp.
Atlantic Pictures, New York, N.Y.
Australia (all full-time workers regardless of orientation or employer's business)
Autodesk, Inc., Calif.
Bank America, San Francisco, Calif.*
Banyan Systems Inc., Westboro, Mass.
Ben & Jerry's Homemade, Waterbury, Vt.
Beth Israel Medical Center, New York, N.Y.
Blue Cross and Blue Shield of Massachusetts
Blue Cross and Blue Shield of New Hampshire
Borland International Inc., Scotts Valley, Calif.
Boston Globe, Boston, Mass.
Bureau of National Affairs (BNA), Washington, D.C.
Cadance
Canadian Press/Broadcast News (wire service), Canada
Capital Cities/ABC, New York, N.Y.
Celestial Seasonings, Colo.
Colgate-Palmolive*
Computer Graphics, Inc.
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Counseling Service of Addison County, Vt.

Cray Research*
 Dayton Hudson
 DEC-Belgium
 Dow Chemical*
 DuPont*
 Eastman Kodak, Rochester, N.Y.*
 Episcopal Diocese of Newark, N.J.*
 Fannie Mae (Federal National Mortgage Association), Washington, D.C.
 Federal National Mortgage Association
 Field Museum of Natural History, Chicago, Ill.
 First Bank System*
 First Chicago Corporation*
 Frame Technology, San Jose, Calif.
 Fred Hutchinson Cancer Research, Seattle, Wash.
 Gardener's Supply, Burlington, Vt.
 Genentech, San Francisco, Calif.
 Greenpeace International, Washington, D.C.
 Group Health Cooperative of Puget Sound (HMO), Seattle, Wash.
 Harley-Davidson (use of on-site facilities)
 Home Box Office (HBO) (Time Warner, Inc.), New York, N.Y.
 Howard, Rice, Nemerovski, Canady, Robertson & Falk, San Francisco, Calif.
 Human Rights Campaign Fund, Washington, D.C.
 IBM (non-health coverage benefits)
 IDG
 Interleaf Technology
 InterMedia Partners, cable operators
 International Data Group, Boston, Mass.
 Irell & Manella, (entertainment law firm) Los Angeles, Calif.
 Jet Propulsion Laboratory (JPL), Calif.
 Kaiser Northern California (HMO)
 Kaiser Southern California (HMO)
 Krum & Forster Commercial Insurance (not for gay/lesbian; for unmarried heterosexuals in common law states)
 KQED, San Francisco, Calif.
 Lambda Legal Defense & Education Fund, New York, N.Y.
 Levi Strauss & Co., San Francisco, Calif.
 Lilienthal & Fowler, Attorneys, San Francisco, Calif.
 Los Angeles Philharmonic, Calif.
 Lotus Development Corp., Cambridge, Mass.
 Mattel*
 MCA/Universal, Universal City, Calif.
 Microsoft Corporation, Redmond, Wash.
 Minneapolis Star-Tribune, Minneapolis, Minn.
 Minnesota Communications Group (Minnesota Public Radio), Minneapolis, Minn.
 Milbank, Tweed, Hadley & McCloy, New York, N.Y.
 Millennium Global Inc., Clearwater, Fla.
 Montefiore Medical Center, Bronx, N.Y.
 Morrison & Foerster (nationwide, all offices)
 National Center for Lesbian Rights, San Francisco, Calif.
 National Gay & Lesbian Task Force Policy Institute, Washington, D.C.
 National Organization for Women, Washington, D.C.
 National Public Radio, Washington, D.C.
 New York Life & Annuity*
 New York Times, New York, N.Y. (Newspaper Guild members)
 NEXT Computer, Redwood City, Calif. (type unknown)
 Northern States Power, St. Paul, Minn.
 Northern Telecom, N. Carolina
 Northwest Airlines (non-health coverage benefits)
 Ontario, Canada (all private companies must provide dental, perscription and health care plans)
 Oracle Systems Corp., Redwood City, Calif.
 Orrick, Herrington & Sutcliffe, Attorneys, San Francisco, Calif.
 Pacific Gas & Electric, San Francisco, Calif.*
 Pacific Mutual Life*

Pacific Telesis Group*
 PacifiCare, Calif. (HMO)
 Para Transit, Inc., Sacramento, Calif.
 Paramount Pictures, Los Angeles, Calif.
 Planned Parenthood
 Polaroid, Cambridge, Mass.*
 Principle Mutual Life
 Quark, Inc.
 Research Triangle Park, N.C.
 Riggs National Corporation*
 RJR Nabisco Holdings (non-health coverage benefits)
 San Francisco Chronicle, Calif. (Newspaper Guild members)
 San Francisco Giants, Calif.
 San Francisco Examiner, Calif. (Newspaper Guild members)
 St. Paul Cos., St. Paul, Minn.
 Schiff, Harden & Waite, Chicago, Ill.
 Seattle Mental Health Institute, Seattle, Wash.
 Seattle Times, Seattle, Wash.
 Silicon Graphics, Mountain View, Calif. (non-health coverage benefits)
 Smith & Hawkin, Marin County, Calif.
 Sprint, Dallas, Texas (relocation aid only)
 Sony Music Co.*
 Sony Pictures Entertainment (Columbia, Tri-Star)
 Starbucks Coffee Company, Seattle, Wash.
 Sun Microsystems
 Supermac Corp.
 Sybase, Calif.
 Teachers Insurance & Annuity*
 Thinking Machines
 Time Magazine Co., New York, N.Y.*
 Time Warner* (corporate staff)
 Trans America*
 Trans America Occidental Life*
 Unitarian Universalist Association
 Unitarian Universalist Service Committee
 United Church Board for Homeland Ministries (United Church of Christ)
 University Students Cooperative Association, Berkeley, Calif.
 US Bancorp*
 US West*
 Vermont Girl Scouts Council, Vt.
 Viacom International (MTV, Showtime, Nickelodeon, Paramount), New York, N.Y.
 Village of Oak Park, Ill.
 Village Voice Newspaper, New York, N.Y.
 Walker Art Center, Minneapolis, Minn.*
 Warner Brothers (Time Warner, Inc.), Burbank, Calif.
 Wells Fargo & Company*
 WGBH, Boston, Mass.
 Wilder Foundation, St. Paul, Minn.
 Woodward and Lothrop, Inc., Washington, D.C., (merchandise discounts only)
 Wyatt Company
 Ziff-Davis Publications, New York, N.Y.



Colleges Recognizing Domestic Partners

Stanford University's far-reaching domestic partner policy allows unmarried partners of students — same- or opposite sex — to qualify for married student housing and to use the university's health clinic, libraries and athletic facilities.

In addition, the school provides benefits to partners of staff and faculty.

Numerous colleges provide health and other benefits for domestic partners of faculty and staff. In some cases, partners of students also get consideration, including eligibility for married student housing and use of college facilities. Conditions and benefits vary widely. An asterisk (*) means bereavement and/or family illness leave only.

Albert Einstein College of Medicine, New York, N.Y.
American University, Washington, D.C.
Amherst College, Amherst, Mass.
Bowdoin College, Brunswick, Maine
Brown University, Providence, R.I.
California Institute of Technology (Caltech), Pasadena, Calif.
Carnegie Mellon University, Pittsburgh, Pa.*
Clark University, Worcester, Mass.
Colby College, Waterville, Me.
Columbia University, New York, N.Y.
Columbia University Clerical Workers, New York, N.Y.
Dartmouth College, Hanover, N.H. (same-sex partners only)
DeAnza Community College, Cupertino, Calif.
Duke University, Durham, N.C.
Florida International University, Miami, Fla.
General Theological Seminary (Episcopal - Housing for same-sex committed couples who are students)
Georgia State University, Atlanta, Ga.
Grinnell College, Grinnell, Iowa
Harvard Law School, Cambridge, Mass.
Harvard University, Cambridge, Mass. (must register domestic partner in Cambridge or other city)
Hiram College, Hiram, Ohio (unofficial)
Ithaca College, Ithaca, N.Y. (Human Rights Commission found housing restrictions unfair to unmarrieds)
Massachusetts Institute of Technology, Cambridge, Mass.
Middlebury College, Middlebury, Vt.
Mission College, Santa Clara, Calif.
Moorhead State University, Moorhead, Minn. (unofficial)
New York University, New York, N.Y. (same-sex partners only)
New York University Law School, New York, N.Y.
North Dakota University, Grand Forks, N.D.
Northeastern University, Boston, Mass.
Oberlin College, Oberlin, Ohio
Occidental College, Los Angeles, Calif.
~~Ohio State University, Columbus, Ohio~~ (offered, then retracted campus family housing quarters for same-sex couples upon objection from some tenants and a state lawmaker.)
Pomona College, Claremont, Calif.
Pitzer College, Claremont, Calif.
Princeton University, Princeton, N.J.
Rutgers University, New Brunswick, N.J. (benefits stalled by administration, now in litigation)
Smith College, Northampton, Mass. (same-sex partners only)
Stanford University, Palo Alto, Calif.
SUNY Stony Brook, Stony Brook, N.Y.
Swarthmore College, Swarthmore, Pa.
Teachers College, Columbia University, New York, N.Y.
Thomas Jefferson University & Hospital, Phila., Pa. (Retirement benefits transfers to surviving partner.)
Tufts University, Boston, Mass. (Same-sex faculty, staff, students only.)
If legal marriage becomes available, partners must marry to retain benefits.)
Union Theological Seminary, New York, N.Y.
University of British Columbia, Vancouver, B.C., Canada
University of California, Irvine, Calif.
University of California, Los Angeles, Calif.
University of California, Santa Cruz, Calif.

University of Chicago, Chicago, Ill. (same-sex partners only)
University of Colorado, Boulder, Colo.
University of Iowa, Iowa City, Iowa
University of Michigan, Ann Arbor, Mich.
University of Minnesota, Minneapolis, Minn.
University of New Brunswick, Fredericton, N.B., Canada
University of New Mexico, Albuquerque, N.M.
University of Oregon, Eugene, Ore. (student housing)
University of Pennsylvania, Philadelphia, Penn. (same-sex partners only)
University of Pittsburgh, Pittsburgh, Pa.
(tuition remission, facility access only for same-sex partners; no insurance)
University of Tampa, Tampa, Fla.
University of Toronto, Toronto, Ont., Canada
University of Vermont, Burlington, Vt.
University of Washington, Seattle, Wash. (bereavement; other benefits are pending)
University of Waterloo, Waterloo, Ont., Canada
University of Windsor, Windsor, Ont., Canada
University of Wisconsin, Madison, Wis.
Washington State University, Pullman, Wash.
Wesleyan University, Middletown, Conn.
Wilfrid Laurier University, Waterloo, Ont., Canada
Write State University, Dayton, Ohio
Yale University, New Haven, Conn. (Health coverage for same-sex students, faculty, admin. & staff.)



Governments that Offer Benefits

"A family: Two or more persons who share resources, share responsibilities for decisions, share values and goals, and have commitments to one another over a period of time. The family is that climate that one comes home to; and it is that network of sharing and commitment that most accurately describes the family unit, regardless of blood, legalities, adoption or marriage."

Home Economics Association

The U.S. Office of Personnel Management published a new rule on Dec. 2, 1994 which defines family as spouses, parents, children, including adopted children, brothers and sisters and their spouses and "any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship."

This should allow federal workers to use sick leave to provide medical care for their domestic partners.

Cities, counties, states and countries have dual roles as employers and lawmakers. The most progressive of them have addressed the needs of domestic partners through both workplace benefits and laws that promote equality.

Benefits for Government Employees

As with private employers, most of these governmental plans define domestic partners to include gay and lesbian couples as well as unmarried heterosexual partners. Partners qualify for benefits under widely varying conditions. Those entities marked with an asterisks (*) offer bereavement and/or family illness leave only. Unless otherwise noted, others listed offer benefits that include some form of health insurance coverage.

Alameda County, Calif.*
Ann Arbor, Mich.
Atlanta, Ga. (court declared unconstitutional, under appeal)
Austin, Texas (citizens voted city charter benefits law restricted to heterosexuals only)
Australia (all full-time workers regardless of orientation or employer's business)
Baltimore, Md. (same-sex partners only, health plan coverage starts Jan. 1995)
Bay Area Rapid Transit (BART), San Francisco, Calif.
Berkeley, Calif.
Berkeley Unified School District, Calif.
Boston, Mass. (unpaid health insurance coverage)
Burlington, Vt.
Cambridge, Mass.
Canada (federal employees)
Chicago, Ill. (paid bereavement leave only)
Dane County, Wis.*
Dane Regional Planning Commission*
Delaware, N.J.*
Denmark (similar benefits as marriage for same-sex citizens who are "registered partners")
East Lansing, Mich. (was non-union employees only, all eligible after 1991)
Laguna Beach, Calif.
Le AJ Airlines, Israel (Nov. 1994 court ruled same benefits as heterosexuals. May impact other jobs)
Los Angeles, Calif.
France (medical benefits for non-working partner if citizens are French, three-year residents who have lived together at least one year)
Greenland (similar benefits as marriage for same-sex citizens who are "registered partners")
Hartford, Conn.
Hennepin County, Minn.*
Ithaca, N.Y.*
King County, Wash.
Laguna Beach, Calif.
Los Angeles, Calif.
Madison, Wis.*
Massachusetts* (management level only)
Metro Toronto Council, Canada
Minneapolis, Minn. (court declared invalid, to be appealed)
(was to give cash payments until insurance could be arranged; excludes unmarried heterosexuals)
Minneapolis Public Library, Minn.
Minneapolis School District, Minn.
Multnomah County, Ore. (medical coverage for non-union)
Municipality of Metropolitan Seattle (Metro), Seattle, Wash.
New South Wales, Australia (all citizens: same-sex couples spousal rights to each other's property)
New York State (3 unions covered so far - all state workers may eventually be covered)
New York, N.Y.
Norway (similar benefits as marriage for same-sex citizens who are "registered partners")
Oak Park, Ill.
Oakland, Calif.* (dental and vision only)
Ontario, Canada
Ottawa, Ont., Canada
Olympia, WA
Portland, Ore.
Rochester, N.Y.
Sacramento, Calif.
San Diego, Calif.
San Francisco, Calif. (city & county)
San Jose School District, Calif., (certain unionized employees)*

Partners Task Force for Gay & Lesbian Couples, Box 9685, Seattle, WA 98109-0685; (206) 935-1206; demian@eskimo.com
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San Mateo County, Calif.
 Santa Cruz, Calif.
 Santa Cruz County, Calif.
 Santa Cruz Metropolitan Transit System, Calif.
 Santa Cruz Operation, Calif.
 Seattle, Wash.
 Sherwood Hills Village, Wis.*
 Spain (lease protection for roommates, specifically includes same-sex couples)
 Sweden (similar benefits as marriage for same-sex citizens who are "registered partners")
 Takoma Park, Md.
 Toronto, Ont., Canada
 Travis County, Texas*
 Vancouver, B.C., Canada
 United States Civil Service*
 United States Department of Housing (HUD)*
 United States Office of Personnel Management* (sick leave only but can be used for any health care or funeral)
 Vermont (all state workers)
 Wayne County, Mich.
 West Hollywood, Calif.
 West Palm Beach, Fla.*
 Yukon Territory, Canada

Public sector plans under development or consideration

Bellevue, Wash.
 Boulder, Colo.
 Denver, Colo.
 District of Columbia (killed by U.S. Congress)
 Harrisburg, Pa.
 Illinois State

Domestic Partner Registration for Citizens

San Francisco instituted domestic partner registration in 1991. While having one of the largest gay and lesbian populations in America, after two years, only about 1,590 same-sex couples had signed on.

A domestic partnership was recognized by State Farm Insurance in 1994 after a fire destroyed a couple's home which had been insured only by one of the men. State Farm covered both partners' possessions upon learning they had registered as domestic partners in Laguna Beach. But it took months of arguments from Lambda Legal before Allstate issued a joint liability policy in 1995 for a gay couple registered as domestic partners in New York City.

Registrations attempt to redress long-standing inequality. While couples typically pay \$30-\$40, these registrations usually have only symbolic significance. In fact, registration may be more harmful should a court later interpret them as creating joint financial liability, thereby imposing responsibilities of marriage, without any benefits.

We have been contacted by a few companies which were considering benefits only to employees residing in cities which offer registration. To our knowledge, none have done this yet. While this removes the burden of devising benefit requirements or guidelines, it creates intra-city inequity. For instance, Delta Airlines, offers the transfer of frequent flyer awards to a same-sex partner only if they reside in a city with registration. What happens to their awards should the couple move or if a partner lives in a different city?

These registration programs are only for residents and offer no benefits unless noted.

Ann Arbor, Mich.
 Atlanta, Ga. (court declared unconstitutional, under appeal)
 Austin, Texas (open to all Texans)
 Berkeley, Calif.
 Boston, Mass. (hospital, jail visitation, school record access, city employee benefits under study)
 Brookline, Mass. (hospital and jail visitation, same-sex partners only)
 Carboro, N.C.
 District of Columbia
 Holland (a number of cities register domestic partners)
 Ithaca, N.Y. (family rates at city-owned facilities)
 Laguna Beach, Calif.
 Madison, Wis.
 Marin County, Calif.
 Minneapolis, Minn. (hospital visitation)
 New Orleans, La. (Deputy City Attorney claims law offers no new rights or benefits)
 New York, N.Y.
 Rochester, N.Y.
 San Francisco, Calif. (originally had hospital visitation, referendum voted it out)
 Seattle, Wash.
 Spain: cities of Barcelona, Cordoba, Granada, Ibiza, Madrid, Toledo, Valencia, Vitoria.
 West Hollywood, Calif. (hospital and jail visitation, protection from housing eviction)

Unions That Have Negotiated Benefits

The IRS ruled in November 1994 that a multi-employer fund may offer health benefits to same-sex domestic partners without jeopardizing its tax-exempt status. However, the fund must limit its domestic partner benefit to just 3.4 percent of the amount it pays for all employee health benefits. Taxes are still paid on the benefits by the employee's partner.

Because they collectively negotiate for employee benefits, unions can be an important ally in winning equity for domestic partners. The unions listed here have negotiated benefits for same-sex partners, although some may provide benefits only in selected localities. Those entities marked with an asterisks (*) offer bereavement and/or family illness leave only. Unless otherwise noted, other listed employers offer benefits that include some form of health insurance coverage for domestic partners of employees.

AFSCME, Local 146, Sacramento, Calif.*
Amalgamated Workers Union, Local 88 (RWDSU)*
American Federation of Government Employees, Local 476/HUD*
American Federation of Teachers Staff Union (AFT), Wash., D.C.
Boston Hotel Worker's Union, Mass.
Canadian Union of Public Employees Local 932, Ontario, Canada
Columbia University clerical workers, New York, N.Y.*
Committee of Interns and Residents Staff Union, New York, N.Y.
Council 82 (prison guards - N.Y. State benefits)
DC Nurses' Association*
Hotel and Restaurant Employees Union, Local 2 (12 San Francisco hotels including the Mark Hopkins)
International Brotherhood of Electrical Workers, Local 18, Los Angeles, Calif.
Legal Aid Society, New York, N.Y.
Legal Services Corporation, Des Moines, Iowa*
Mt. Sinai Hospital, New York, N.Y.* (nurses)
Museum of Modern Art, New York, N.Y.*
National Treasury Employees Union*
New York/New Jersey (NYNEJ), telephone company workers, New York, N.Y.
Newspaper Guild
Oil Chemical and Atomic Workers, (several locals in N.Y. and elsewhere)
Pacific Gas & Electric, San Francisco, Calif.*
Public Employees Federation (N.Y. State, SEIU/AFT)
Retail Store Employees Union Local 410R-8FCS, San Francisco, Calif.*
Seattle Public Library, Wash.*
United University Professors (professors, doctors & some nurses in teaching hospitals - N.Y. State)
Village Voice newspaper, New York, N.Y.
The Writers Guild of America West - Industry Health Fund (the "Fund")

Further Resources

"Any two people ... wishing to make a commitment to one another ... should be considered a family ... and receive those benefits accorded to families by society. Blood kinship should not be required of family members, nor should marriages."

American Humanist Association in a statement on the family, 1978.

Some organizations tracking benefits and civil rights protections in the workplace include the: Lambda Legal Defense & Education Fund, 666 Broadway, New York City, 10012; (212) 995-8585
National Gay & Lesbian Task Force, 2320 - 17th St., NW, Washington, DC 20009; (202) 332-6483
The Wall Street Project, 80 Wall St., #1105, New York, NY 10005-3601; (212) 289-1741

Availability and costs of these documents change often, so it's best to inquire before ordering:

"Domestic Partner Benefits: Employer Considerations" (4th quarter 1994 of Employee Benefits Practices) \$10, 12 pg. from International Foundation of Employee Benefit Plans, Box 69, Brookfield, WI 53008-0069; (414) 786-6700

"Domestic partner benefits in the media industry" \$2, 8-pg. from National Lesbian and Gay Journalists Association, Box 423048, San Francisco, CA 94142-3048.

"Model policy for domestic partnership health insurance" from Hollywood Supports, 8455 Beverly Hills Blvd., #305, Los Angeles, CA 90048; (213) 655-7705.

"Unmarried... with Benefits" article Dec. 1991 Personnel Journal; reprint information (714) 751-1883

Books

Approaching 2000: Meeting the challenges to San Francisco's families: The final report of the mayor's task force on family policy (June 13, 1990), Human Rights Commission, City and County of San Francisco, 1170 Market St., #500, San Francisco, CA 94102-4908; (415) 252-2500.

The BNA Special Report Series on Work & Family, #38: Recognizing non-traditional families, Feb. 1991 (ISBN 1-55871-212-7), \$40, 32-pg. BNA PLUS, The Bureau of National Affairs, Inc., 9435 Key West Ave. Walkville, MD 20850; (800) 372-1033. Well-researched domestic partner benefit report.

Partners Task Force for Gay & Lesbian Couples, Box 9685, Seattle, WA 98109-0685; (206) 935-1206; demian@eskimo.com
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District of Columbia Commission on Domestic Partnership Benefits for D.C. Government Employees; Final report and recommendations (July 1990), D.C. Office of Personnel, 613 G St., N.W., #414, Washington, DC 20001.

Domestic Partnership Benefits (Spring 1992), S4, Partners Task Force, Box 9685, Seattle, WA 98109; (206) 935-1206. Articles on history, legislative battles, benefits and pitfalls; anatomy of a domestic partnership affidavit; tips on gaining benefits at your workplace. For a current list of businesses offering domestic partner benefits, add \$7.50.

Domestic Partnerships: Legal strategies for the 90s (1989), S30 (Washington residents add \$2.43), supplies limited, Northwest Women's Law Center, 119 South Main St., #330, Seattle, WA 98104, 206-682-9552. For lawyers; 200-page collection based in part on Washington law.

Domestic Partnership Legislative Briefing Packet (1991), S5, Dept. of Public Education, ACLU, 132 W. 43rd St., New York, NY 10036. Basic information, resources and model ordinance.

Domestic Partnership Organizing Manual (1992), National Gay & Lesbian Task Force Policy Institute, 1734 - 14th St., N.W., Washington, DC 20009-4309; (202) 332-6483 Definitions, insurers and HMOs that cover domestic partners, contacts for organizing efforts, sample forms and press clips.

Domestic Partnership Packet (1993), S15, Lambda Legal Defence and Education Fund, 666 Broadway, New York, NY 10012-2317; (212) 995-8585. Summaries, highlights, analysis, and sample legislation.

Family Diversity Project publications: Amicus Curiae Brief: Family Service America et al. (1989); as filed in the landmark Braschi case; definition of family in U.S. law. Legal Syllabus: Rights of Domestic Partners (1989); outline for law school seminar. Registration of Families with the Secretary of State (1992); procedure for Calif. Report of California's Joint Select Task Force on the Changing Family (1989); extensive proposals to protect and benefit domestic partners. Report of Los Angeles Consumer Task Force on Marital Status Discrimination (1990); reform recommendations. Strengthening Families: A model for community action, Final Report of the Task Force on Family Diversity, City of Los Angeles (1988); substantial references to lesbian and gay families. \$15 donation per document. Checks to: Spectrum Institute, Box 65756, Los Angeles, CA 90065; (213) 258-8955 or FAX/258-8099.

Pride at Work: Organizing for lesbian and gay rights by Miriam Frank & Desma Holcomb (1990), S5 - \$1 p&h, \$3 each ten or more copies, Lesbian and Gay Labor Network, Box 1159, Peter Stuyvesant St., New York NY 10009. How to secure partner benefits, other advances in union settings.

Recognizing Lesbian and Gay Families: Strategies for obtaining domestic partner benefits (1992), S15, National Center for Lesbian Rights, 870 Market St., #570, San Francisco, CA 94102-3012; (415) 621-0674.

Understanding the Domestic Partner Dilemma: Perspectives of employer and insurer by Elizabeth Murphy. (Second edition 1993). City of West Hollywood, 8611 Santa Monica Blvd., West Hollywood, CA 90069; (310) 854-7400.

Will You Be Mine? by Diane Whitacre, (1992), \$19.95, Crooked Street Press, 2154 Taylor St., San Francisco, CA 94133; (415) 931-3990. History of the San Francisco domestic partnership ordinance (effective Feb. 14, 1991); interviews 41 same-sex and four heterosexual couples about their relationships.

Summary thoughts

There are other steps cities can take to protect domestic partners. For example, Washington, D.C., requires certain businesses to provide employees unpaid leave to care for sick family members, including domestic partners. The district's law also gives tax breaks to businesses that provide health insurance to employee's domestic partners.

Besides workplace benefits, some businesses offer discounts to household members once restricted only to a "spouse." The AAA Motor Clubs in a few states offer a second membership at reduced fees. Avis Rent-A-Car no longer charges a daily second driver fee for unmarried couples who declare they are a couple. The Minneapolis-based National Car Rental redefined its "additional authorized drivers" to include domestic partners, also without additional fees or insurance. Shorewood Hills, Wis., Seattle, Wash. and other cities allow domestic partners a family discount for user fees at various city facilities. And the Swiss Federated Railways (Switzerland) offers reduced-fare spouse passes to same-sex partners who live together.

Other domestic partner recognitions go beyond the workplace or minor public accommodations. For example, New York State covers domestic partners under family rent control law. And Oakland, Calif. has eliminated a property transfer tax for domestic partners.

04/24/95 LEGISLATIVE TELECONFERENCE NETWORK LTN1404
 09:29:54 N CONFERENCE DISPLAY PAGE 04 - VOLUNTEER & OFF-NET SITES L362
 TCN 50592 T/C DATE: 04/18/95 TIME: 10:00 to 12:00 STATUS: 7 STATS IN
 * LIO VTS NAME ADDRESS CONTACT TELEPHONE
 ZZZ OF1 OFFNET 1 ANCHORAGE ROBERT SMITH 907 276 3414
 ZZZ OF2 OFFNET 2 SITKA CAROL MONACO 907 747 3213
 ZZZ OF3 OFFNET 3 PALMER GARY SHERIDAN 907 745 4241

#1300

MSG: 1410 NO FURTHER INFORMATION
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04/24/95 LEGISLATIVE TELECONFERENCE NETWORK LTN1405
 09:30:02 N CONFERENCE DISPLAY PAGE 05 - PARTICIPANTS BY SITE L362
 TCN 50592 T/C DATE: 04/18/95 TIME: 10:00 to 12:00 STATUS: 7 STATS IN
 SITE: LIO ANC VTS ANCHORAGE
 1 THOMAS OWENS JR T 01 HB 226
 1500 W 33RD #200 ANCHORAGE AK 99503 (907)276-3963
 2 AMY YOUNG T 01 HB 226
 218 E 10TH AVE ANCHORAGE AK 99501 (907)258-9925
 3 ONE OBSERVER O 99 ALL ITEMS
 (907)000-0000

MSG: 1410 NO FURTHER INFORMATION
 ENTER Pg# 09 PF2 NextC# ynnnn PF3 Exit PF5 Update PF7 Bwd PF8 Fwd PF12 Quit

04/24/95 LEGISLATIVE TELECONFERENCE NETWORK LTN1405
 09:30:09 N CONFERENCE DISPLAY PAGE 05 - PARTICIPANTS BY SITE L362
 TCN 50592 T/C DATE: 04/18/95 TIME: 10:00 to 12:00 STATUS: 7 STATS IN
 SITE: LIO FBX VTS FAIRBANKS
 1 MR. TYSON NEVIL T 01 HB 226
 PO BOX 82176 FAIRBANKS AK 99708 (907)474-4655
 2 MR. MARK TUMEO T 01 HB 226
 1324 SUMMIT DR. FAIRBANKS AK 99712 (907)474-6090
 3 MA. LAURA BURLESON T 01 HB 226
 4758 GLASGOW #3 FAIRBANKS AK 99709 (907)479-7348
 4 MR. TRAVIS BRAZILLE T 01 HB 226
 PO BOX 750538 FAIRBANKS AK 99775 (907)474-6666
 5 MS. KATE WATTUM T 01 HB 226
 PO BOX 84397 FAIRBANKS AK 99708 (907)455-6639
 6 MR. ROBERT MILLER T 01 HB 226

7 MR.	PATRICK	KALEN		T 02 HB 246
	1041 CHENA RIDGE RD.	FAIRBANKS	AK 99709	(907)479-2628
8 MR.	BEVERLY	MCCLENDON		T 01 HB 226
	PO BOX 84397	FAIRBANKS	AK 99708	(907)455-6639

MSG:
 ENTER Pg# 09 PF2 NextC# ynnnn PF3 Exit PF5 Update PF7 Bwd PF8 Fwd PF12 Quit

04/24/95 LEGISLATIVE TELECONFERENCE NETWORK LTN1405
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 TCN 50592 T/C DATE: 04/18/95 TIME: 10:00 to 12:00 STATUS: 7 STATS IN
 SITE: LIO FBX VTS FAIRBANKS

9 MR.	MICHAEL	SCHMAHL		T 01 HB 226
	4758 GLASGOW #3	FAIRBANKS	AK 99709	(907)479-7348
10 MR.	STEVEN	JACQUIER		T 01 HB 226
	PO BOX 750331	FAIRBANKS	AK 99707	(907)479-6536
11 MS.	KATE	TURNER		O 01 HB 226
	601 FAIRBANKS ST.	FAIRBANKS	AK 99709	(907)451-8339
12 MR.	ROB	LINT		O 01 HB 226
	601 FAIRBANKS ST.	FAIRBANKS	AK 99709	(907)451-8339
13 MR.	JOHN	MCWHORTER	APRN	O 01 HB 226
	C/O KUAC UAF	FAIRBANKS	AK 99775	(907)474-5048
14 MR.	WALT	SCHUETTE		O 01 HB 226
	2221 EAGAN	FAIRBANKS	AK 99701	(907)452-2008
15 MS.	ILLA	TALLON		O 01 HB 226
	PO BOX 85072	FAIRBANKS	AK 99708	(907)488-0912
16 MR.	FRED	PRATT		O 01 HB 226
	PO BOX 72981	FAIRBANKS	AK 99707	(907)000-0000

MSG: 1410 NO FURTHER INFORMATION
 ENTER Pg# 09 PF2 NextC# ynnnn PF3 Exit PF5 Update PF7 Bwd PF8 Fwd PF12 Quit

04/24/95 LEGISLATIVE TELECONFERENCE NETWORK LTN1405
 09:30:16 N CONFERENCE DISPLAY PAGE 05 - PARTICIPANTS BY SITE L362
 TCN 50592 T/C DATE: 04/18/95 TIME: 10:00 to 12:00 STATUS: 7 STATS IN
 SITE: LIO HOM VTS HOMER

1 MR.	BEAVER	BENTLEY		T 02 HB 246
	41955 SPENCER DR	HOMER	AK 99603	(907)000-0000

Testimony urging a NO vote on House Bills Number 226 & 227

from the Rev. Mark A. Boesser
Priest of the Episcopal Church
Archdeacon of Southeast Alaska
17585 Lena Loop Road.
Juneau, Alaska, 99801
Phone # (907) 789-1445

What these appear to be is a thinly disguised attack against gay and lesbian citizens of Alaska on the part of those who possibly think

- that homosexuality is sick or wrong,
- that homosexual activity is evil,
- that same sex unions should not be legally permitted,
- that gay and lesbian persons are undeserving of respect and protection from discrimination under the law,

For, disguised though they be, these bills would plainly be discriminatory against gay and lesbian persons and, in my opinion, would be illegal for that very reason.

The fact is that there is a growing consensus among medical personnel, serious Bible scholars and Christian theologians that true homosexuality is neither a sickness needing to be healed, nor sin needing to be forgiven, nor is it some kind of evil bondage from which one needs to be delivered. Rather it is increasingly coming to be appreciated as an orientation, a given, a bestowed identity, not a self-chosen behavior pattern. A growing body of scientific research supports the claim that from time immemorial 10 to 15 percent of the human species come into life with a homosexual stamp of identity. Insofar as this represents historic human reality, then even compassion is not adequate as a societal stance toward the gay community. We must move to include justice as we have done in the case of women and blacks and all other human beings whose identity we honor.

Homosexual persons, therefore, have a full and equal claim with all other persons upon acceptance and protection from discrimination of both church and society. If laws are to be passed, they should be to the effect that such protection be provided in actuality and not further compound the already harmful and prejudicial views that cause this segment of our community such undeserved pain..

I urge you to vote NO on House Bills #226 & #227.



Mark A. Boesser

Alaska State Legislature

REPRESENTATIVE
PETER KELLY

Mailing Address:
119 N. Cushman, Suite 203
Fairbanks, Alaska 99701
(907) 456-8161



While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-2327

House District 31

House Of Representatives

Sponsor Statement

House Bill 226

A recent court decision ordered the University of Alaska to extend health insurance coverage and benefits to domestic partners. HB 226 addresses this decision by reasserting the rights of employers, including the state, to exclude domestic partners from health insurance benefits, unless they choose otherwise.

Various labor and union contracts negotiate pension funds and health benefits as a part of the compensation package for workers. Now we find the workers benefit package is targeted for distribution to an unknown panoply of partners not recognized by existing contractual relationships, such as marriage.

HB 226 also intends to reduce the uncertainty employers now face in planning their group insurance program. Without HB 226, the court suggests employers in Alaska "could simply refuse to provide health care coverage for spouses." Or, their "health care plan could be rewritten to indicate that health care coverage would be available for all employees domestic partners."

The court decision leaves unclear who is, and who is not, entitled to family benefits. Employers may find themselves in court determining how many "partners", roommates, cohabitants, associates, boy or girl friends, acquaintances, or relatives have the same status as married persons. HB 226 seeks to close the door on a possible onslaught of domestic partnerships created just to gain benefits.

I urge your support of House Bill 226.

Alaska State Legislature

REPRESENTATIVE
PETER KELLY

Mailing Address:
119 N. Cushman, Suite 203
Fairbanks, Alaska 99701
(907) 456-8161



While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-2327

House District 31

House Of Representatives

House Bill 226

Briefing Paper

The Human Rights Act and Marital Status

The Alaska Human Rights Commission was created in 1965. The Commission was given the power to accept, hear, and issue orders of compliance on complaints regarding discrimination throughout Alaska. The act established as unlawful employment practices the refusal of employment, or discrimination "in compensation or in a term, condition or privilege of employment because of his race, religion, color or national origin, or because of his age when the reasonable demands of the position do not require age distinction."

In 1969 the statutes empowering the Human Rights Commission were amended to include the goals of eliminating "discrimination because of race, religion, color, national ancestry, physical handicap, age, or sex." Employers were bared from discriminating for the reasons established in 1965 plus "age, physical handicap, or sex when the reasonable demands of the position do not require age, physical handicap of sex distinction."

The statutes were further amended in 1972. The 1972 act established that the "opportunity to obtain employment, public accommodations, housing accommodations and property without discrimination because of sex, race, religion, color, or national origin is a **civil right.**"

In 1975 the prohibition against discrimination on the basis of **marital status or changes in marital status** was added to the statutes on human rights. It became "unlawful for an employer to refuse employment to a person, or to bar him from employment, or to discriminate against him in compensation or in a term, condition, or privilege of employment because of his race, religion, color or national origin, or because of his age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood when the reasonable demands of the position do not require distinction on the basis of age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood."

Human Rights Commission Decisions re: Marital Status.

The Alaska Human Rights Commission is the first point of referral for complaints of discrimination relating to the Human Rights Act. The Commission received eight complaints based solely on discrimination regarding marital status in 1993, four cases in 1992, and four cases in 1991. Of the 1,660 complaints filed during 1991, 1992 and 1993, 40 included marital status as a portion of the complaint.

Since the enactment of the marital status portion of the Human Rights Act in 1975, the Human Rights Commission has completed four decisions in which Marital Status played a part of the basis for the initial complaint of discrimination. Marital Status is clearly not a large portion of the case load of the Human Rights Commission.

Analysis of Human Rights Commission decisions on marital status.

1) Marie Scholle vs. City of Fairbanks, City Ordinances found irreconcilable with the Human Rights Act, 1977.

Marie Scholle argued that the City of Fairbanks discriminated in employment practices "because of a City ordinance prohibiting employment of a person when such person's spouse is employed by the City." The Commission found that the discrimination did not occur against Mrs. Scholle, because her complaint preceded the 1975 addition of the Marital status clause to the Human Rights statutes. The Commission did find, however, that the City "ordinances must be declared invalid and unenforceable as inconsistent with and contrary to State Law." It is clearly a violation of the Human Rights Act to refuse to hire someone because they are married.

2) Mikka Powell vs. Jacks Food Mart; Dismissed, Oct. 1980.

Mikka Powell asserted "that she was terminated in whole or in part because she was unmarried and pregnant, which charges, if true, would constitute illegal discrimination in violation of AS 18.80.220(1)." The Commission found against the complainant, finding evidence of continued tardiness, walking off the job for extended periods of time, and other reasons which could have been the sole reason for the termination. However it would be a violation of the Human Rights Act to discriminate by retaining a person who is married and pregnant, but fire someone who is not married and pregnant.

3) Anne Miller vs. Golden North Motel; Dismissed, Feb. 1980.

Anne Miller alleged the Golden North Motel discriminated in her firing, because one of the reasons given for her termination was a company policy preferring married personnel in her position.

The Commission found against the complainant, for reasons other than the allegation, which if true would have been a discriminatory practice. A policy that establishes a preference for married personnel over unmarried personnel is a clear violation of the Human Rights Act.

Attorney General's Opinion on a marital status case, January 4, 1980.

The Attorney General has issued one opinion on marital status discrimination in Alaska. This opinion discussed "cohabitation." The noted that "cohabitation per se, however, is not covered by the Alaska human rights law and it would appear, therefore, that the Commission cannot provide relief for discriminatory conduct based upon one's cohabitation without benefit of marriage when employment policy is applied across the board to all applicants."

The Attorney General opinion went on to caution against a simple interpretation in the specific case at hand, giving an example of a case from another state in which cohabiting was found to be an "espoused relationship, i.e., sharing bed and board, having children, sharing financial, recreational and social activities together plus the normal cares and woes of raising a family." If the Commission were to find cohabitation to be marital status for the purposes of AS 18.80.220(a) then it might be best for the Commission to amend its regulations "to include this espoused relationship in its definition of marital status."

Summary and relevance to Tumeo & Wattum vs. UA:

Tumeo and Wattum seek a court ruling for the establishment of medical benefits for "domestic partners." The litigants did not bring this issue before the legislature for addition to the Human Rights Act, nor for addition of domestic partners to Alaska Statutes 39.30.090(a)(2) which specify provisions for the state's health insurance plan. The University is free to negotiate a plan which includes domestic partners. Rather than successfully negotiate this form of compensation the litigants have gone to court seeking a solution outside the democratic process.

Tumeo and Wattum did not choose to have their case heard by the Human Rights Commission. It is difficult to speculate on difference in the outcome of their case had they chosen to place their complaint with the Human Rights Commission. Expansion of the marital status provision to include individuals who were not married, and were not raising a family, might well have been more difficult before the Human Rights Commission.

The Alaska Human Rights Act precludes discrimination based upon marital status. Clearly prohibited are employment preferences excluding persons from employment because they are or are not married. Single persons may not be preferentially hired over married persons. Married persons may not be preferentially hired over unmarried persons. A person who is unmarried and pregnant has the same employment of someone who is married and pregnant.

The cases to date are fairly straight forward interpretations of the Human Rights Act. The Tumeo & Wattum vs. UA case is not as straight forward. Tumeo & Wattum are not legally married. They are alleging that their "domestic partners" should receive the compensation benefits package granted to married individuals because each has submitted an "affidavit of marital equivalency" to the University.

It is difficult to see how Tumeo & Wattum have a case establishing discrimination based on marital status. Although neither Tumeo nor Wattum's domestic partnership is illegal, they are clearly not relationships with the legal recognition, certification and status of marriage. The Greene decision would expand the Human Rights law to protect or reward a relationship which lacks the legal and social stamp of recognition similar to those afforded by society to the institution of marriage.

Sec. 18.80.220. Unlawful employment practices. (a) It is unlawful for

(1) an employer to refuse employment to a person, or to bar a person from employment, or to discriminate against a person in compensation or in a term, condition, or privilege of employment because of the person's race, religion, color, or national origin, or because of the person's age, physical or mental disability, sex, marital status, changes in marital status, pregnancy, or parenthood when the reasonable demands of the position do not require distinction on the basis of age, physical or mental disability, sex, marital status, changes in marital status, pregnancy, or parenthood;

(2) a labor organization, because of a person's sex, marital status, changes in marital status, pregnancy, parenthood, age, race, religion, physical or mental disability, color, or national origin, to exclude or to expel a person from its membership, or to discriminate in any way against one of its members or an employer or an employee;

(3) an employer or employment agency to print or circulate or cause to be printed or circulated a statement, advertisement, or publication, or to use a form of application for employment or to make an inquiry in connection with prospective employment, that expresses, directly or indirectly, a limitation, specification, or discrimination as to sex, physical or mental disability, marital status, changes in marital status, pregnancy, parenthood, age, race, creed, color, or national origin, or an intent to make the limitation, unless based upon a bona fide occupational qualification;

(4) an employer, labor organization, or employment agency to discharge, expel, or otherwise discriminate against a person because the person has opposed any practices forbidden under AS 18.80.200 — 18.80.280 or because the person has filed a complaint, testified, or assisted in a proceeding under this chapter;

(5) an employer to discriminate in the payment of wages as between the sexes, or to employ a female in an occupation in this state at a salary or wage rate less than that paid to a male employee for work of comparable character or work in the same operation, business, or type of work in the same locality; or

(6) a person to print, publish, broadcast, or otherwise circulate a statement, inquiry, or advertisement in connection with prospective employment that expresses directly a limitation, specification, or discrimination as to sex, physical or mental disability, marital status, changes in marital status, pregnancy, parenthood, age, race, religion, color, or national origin, unless based upon a bona fide occupational qualification.

(b) The state, employers, labor organizations, and employment agencies shall maintain records on age, sex, and race that are required to administer the civil rights laws and regulations. These records are confidential and available only to federal and state person-

nel legally charged with administering civil rights laws and regulations. However, statistical information compiled from records on age, sex, and race shall be made available to the general public. (§ 6 ch 117 SLA 1965; am § 4 ch 119 SLA 1969; am § 1 ch 237 SLA 1970; am §§ 5, 6 ch 42 SLA 1972; am § 1 ch 119 SLA 1974; am § 9 ch 104 SLA 1975; am § 9 ch 69 SLA 1987)

Cross references. — For original jurisdiction of the superior court over suits arising under this chapter, see AS 22.10.020.

Opinions of attorney general. — An employment decision not to hire one who lives with a person of the opposite sex does not come within the prohibition against employment decisions based on marital status. January 4, 1980 Op. Att'y Gen.

Subsection (a) preserves the nonassociational rights of those public employees whose sincere and conscientious beliefs forbid union membership but who, because they are not members of an organized religion, do not come within the coverage of AS 23.40.225. January 13, 1984 Op. Att'y Gen.

A state employee in a collective bargaining unit who does not belong to an organized religion is entitled to an accommodation of his religious opposition to the payment of union dues. January 13, 1984 Op. Att'y Gen.

Because discrimination on the basis of citizenship has the effect of discriminating on the basis of national origin, this section and AS 18.80.255 make it clear that an employer, including the state or

any of its political subdivisions, may not discriminate against a potential or existing employee because that person is not a citizen of the United States. April 14, 1975 Op. Att'y Gen.

All questions on employment applications which inquire as to alienage or United States citizenship must be affirmatively stricken as legally impermissible questions; furthermore, should this information become available through a source other than by application, no use may be made of it. April 14, 1975 Op. Att'y Gen.

It is the opinion of the attorney general that State Deferred Compensation Plan options calculated by gender-based actuarial tables unlawfully discriminate against women employees. June 2, 1980 Op. Att'y Gen.

Subsection (b) should be interpreted to require the commission to keep confidential information from a survey for records maintained to administer civil rights laws and regulations until it is presented at public hearing unless the information is released in a format which does not identify individual responding employers or unions. May 14, 1979 Op. Att'y Gen.

NOTES TO DECISIONS

Discrimination need not be purposeful to be unlawful under paragraph (a)(1) of this section. Instead, unlawful discrimination may result as an "accidental byproduct of a traditional way of thinking about females." Alaska USA Fed. Credit Union v. Fridriksson, 642 P.2d 804 (Alaska 1982).

Coverage of anti-discrimination law is not limited to inhabitants. Adams v. Pipeliners Union 798, 699 P.2d 343 (Alaska 1985).

Consideration of federal decisions. — In the past, when considering the parameters of the Alaska anti-discrimination statute, the supreme court has examined the relevant federal Title VII decisions for guidance. Alaska State Comm'n

for Human Rights v. Yellow Cab, 611 P.2d 487 (Alaska 1980).

Federal credit union is "employer". — A federal credit union with membership open to military and civilian personnel at Elmendorf, Adak and Shemya military bases, members of the Air National Guard, senior members of the Civil Air Patrol, shareholders in 10 native regional corporations, and employees of certain contractors of Alyeska Pipeline Service Company was held to be an "employer" within the meaning of AS 18.80.300(4) and not entitled to an exclusion as a "fraternal organization." Alaska USA Fed. Credit Union v. Fridriksson, 642 P.2d 804 (Alaska 1982).

Section applicable to unions. — This section, like 42 U.S.C. § 2000e et seq.,

HUMAN RIGHTS COMMISSION

300 A STREET, SUITE 204
ANCHORAGE, ALASKA 99501-3669
PHONE: (907) 274-4692 / 276-7474
TTY/TDD: (907) 276-3177
FAX: (907) 278-8528

March 14, 1995

The Honorable Pete Kelly
The Honorable Norman Rokeberg
House of Representatives
State Capitol
Mail Stop 3101
Juneau, Ak. 99801-1182

RE: House Bill 226 and House Bill 227

Dear Representatives Kelly and Rokeberg:

Last week's Representative Kelly's aide, Bruce Campbell, contacted the Commission's executive director and indicated that you would appreciate knowing the agency's position on House Bills 226 and 227, and any suggestions that the Commission might have. At its meeting on March 9 and 10, 1995, in Anchorage the Commission considered the legislation.

The Commissioners reviewed the bills and passed the following motion with regard to House Bill 226:

Motion: The Commission supports House Bill 226 with the following change: the term 'benefits' be clearly defined as health insurance benefits.

Motion By: Commissioner Hamilton; Second by Commissioner Dyson.
Motion passed unanimously.

The Commission takes no position on House Bill 227 because it doesn't directly effect A.S. 18.80 et seq. the Commission's enforcement statute. The current commission has taken this practice when considering legislation.

If you have questions, please contact either me at 745-3362 or Executive Director Paula M. Haley at 1-907-276-7474, extension 241.

Sincerely,



Edna DeVries, Chairman

3181 Anella AV.
Fairbanks, AK 99709
14 January 1995

Representative Pete Kelly
State Capitol
Juneau, AK 99801-1182

Dear Mr. Kelly:

The recent decision by Judge Greene in Fairbanks saying that unmarried couples are entitled to the same benefits as accorded to married couples opens Pandora's box to litigation and regulation writing about who is and who is not entitled to family benefits. More important, I view the decision as another step in the dissolution of the fabric that holds our society together.

The next generation of responsible citizens should be recruited from the stable families formed by committed heterosexual couples. The continuation of our society is dependent on the formation of families.

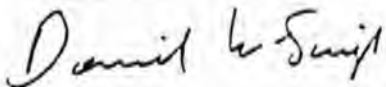
We have all lamented the social ills that have accompanied the breakdown of family life. The State therefore has a compelling interest in formation of families, and is thereby justified in adopting policies that provide special benefits to traditional families. I would therefore urge the adoption of legislation that clearly states that spousal benefits for any state employee shall apply to only those who are legally married. I would further urge that no unmarried person may use the state courts to sue for family benefits.

According to the January 13 *News Miner* article Judge Greene referred to the precedent set by an Equal rights Commission ruling that landlords cannot refuse to rent to unmarried cohabiting heterosexual couples. I would further urge that adoption of legislation asserting the unconditional rights of landlords to evict or refuse to rent to unmarried heterosexual partners.

Please do not construe this letter as being anti-homosexual. I have backed homosexual rights. My interest in writing this letter is that I think it is time for us to send a message to the coming generation that the formation of families is good, and promiscuity and having children out of wedlock is bad.

I thank you for your consideration.

Sincerely yours,



Daniel W. Swift

HOUSE COMMITTEE REPORT

3/20/95

(7)
Date Referred: March 3, 1995

FURTHER REFERRALS:

HESS
Judiciary

Date of Committee Action: March 18, 95

The STATE AFFAIRS Committee considered:

HB 226

HOUSE BILL NO. 226

REPEAL OF MARITAL STATUS PROTECTIONS

"An Act permitting the provision of different retirement and health benefits to employees based on marital status."

recommends it be replaced with the following committee substitute _____ [] the same title [] a new title

[] additional referral to _____ Committee
[] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date)

[] fiscal note(s) _____ [] fiscal note(s) _____
[] zero fiscal note(s) _____ [] zero fiscal note(s) _____
Admin/All dept's

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<u>Jeanette James</u>	<u>James</u>	✓			
<u>Richard Porter</u>	<u>Porter</u>	✓			
<u>Paul Green</u>	<u>Green</u>	✓			
<u>Ivan Robinson</u>	<u>IVAN</u>	✓			
<u>Caren Robinson</u>	<u>ROBINSON</u>				✓
		(4)			(1)

CHAIR'S SIGNATURE Jeanette James
HOUSE STATE AFFAIRS COMMITTEE REPORT James

Daily News - Miner

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Editorial Page Editor

Defining 'domestic partners'

Judge Mary Greene, who ruled last week that the university cannot discriminate on the basis of marital status when providing health benefits, has made a legally correct but politically untenable decision.

Two university employees—Mark Tumeo and Kate Wattum—sued the institution because it would not extend health benefits to their same-sex domestic partners. They said the university was discriminating against them, and Greene agreed.

The judge's decision seems unassailable from a legal standpoint. The university pays part of the health insurance bill for employee spouses. That means a married employee is "paid" more than an unmarried employee. That's discrimination on the basis of marital status, and that's illegal under state law.

The university used some convoluted reasoning to obscure the essential issue. It argued that married people have a legal obligation to support their spouses, so the university can help them with health benefits. But Greene noted that under the university's logic "a single person might be paid \$50 for a job for which a married person might be paid \$100. Such a result would plainly be unlawful . . ."

So what happens next?

Judge Greene suggested a few options for the university. It could stop subsidizing health benefits for spouses of university employees. Or it could extend benefits to anyone who signs an "affidavit of spousal equivalency," as Tumeo and Wattum have done with their partners.

Neither option is politically realistic.

Barring employer subsidies of health benefits for married couples would create a huge uproar.

But formally accepting an "affidavit of spousal equivalency" would create a greater outcry because it essentially would recognize gay and lesbian marriages. Currently, that idea is in legal limbo, Greene noted. It likely will stay there, given the threat to strong, healthy families that many people believe such marriages represent.

There is another, broader option not expressed by Greene. We could make a decision that, as a society, we want our laws to encourage heterosexual marriages by allowing employers to pay such couples better. However, such an effort could require statutory and constitutional amendments at the state and federal level. And it is fraught with risk—do we really want government to enter the business of deciding (with apologies to Dr. Seuss) "who's better than who?"

Greene's decision could have immense ramifications because her reasoning may be applied to any government or private employer.

And any action spurred by the decision will be extremely controversial. This issue has been simmering for some time. Judge Greene, in defining the dispute precisely, just brought it to a boil.

Judge rules unmarried couples should get benefits

By MICHAEL DREW
Staff Writer

A Superior Court judge has ruled that unmarried couples living together should be offered the same employee health benefits at the University of Alaska Fairbanks as married couples.

The Wednesday ruling by Fairbanks Judge Mary Greene could have implications beyond the UAF campus, possibly extending to all University of Alaska campuses and eventually to all state departments, said Assistant Attorney General John Gaguine.

Greene ruled in favor of Mark Tumeo, an

UAF cannot deny health insurance to same-sex partners

associate professor of engineering, and Kate Wattum, a university public affairs assistant in Fairbanks. The two sued the university in January 1994 after being denied health care benefits for their same-sex partners.

In a brief written statement Thursday, Tumeo and Wattum said they are pleased with Greene's decision.

"We think that the judge endorsed the idea that there should be equal pay for equal work and that people should receive

the same pay, regardless of whether they are married or single," the statement said.

Tumeo and Wattum claimed they were discriminated against based on marital status since the university provides health care benefits to its employees' spouses but not to employees' domestic partners, regardless of sex.

Greene agreed, saying discrimination against unmarried couples, even when they are of the same sex, constitutes dis-

crimination based on marital status. But she stopped short of defining "domestic partner."

In her ruling, Greene said the university, by offering health care coverage to spouses of married employees but not to partners of unmarried employees, "is compensating married employees to a greater extent than it compensates unmarried employees."

Greene's ruling does not require the university to offer coverage to the unmarried

partner of an employee. But it does prohibit the university from using marital status to determine whether to offer the coverage.

Greene said it is irrelevant to her decision whether Tumeo and partner Bruce Anders and Wattum and partner Beverly McClendon are able to obtain a marriage license in Alaska.

While the state does not issue same-sex marriage licenses, Tumeo and Anders have signed an "Affidavit of Spousal Equivalency." The affidavit explains their relationship, saying Tumeo and Anders

See RULING, Page A-8

RULING: Judge rules that health coverage cannot be denied on basis of marriage

Continued from Page A-1

are "jointly responsible for each other's common welfare and financial obligations."

For now, the ruling is limited to the university system, said Gaguine. But if the university appeals to the Alaska Supreme Court and loses, the ruling would apply to other state agencies.

"If it's upheld they will have to review their policies regarding the

new law," Gaguine said.

Bill Kauffman, the university's attorney on the case, was out of town Thursday and unavailable for comment. Whether UAF would appeal was unknown.

In her decision, Greene referred to two Alaska Supreme Court cases involving violations of the Alaska Human Rights Act. Tumeo and Wattum had argued the cases sup-

port their case against the university.

In the 1989 case of Foreman v. Anchorage Equal Rights Commission, an unmarried woman attempted to rent an apartment for her baby, the baby's father and herself. The landlords, the Foremans, refused to rent because she and the baby's father were not married. The court ruled against the Fore-

mans, saying the Human Rights Act was intended to protect unmarried couples.

In a 1994 case, Swanner v. Anchorage Equal Rights Commission, the landlord refused to rent to unmarried couples living together. The landlord, Swanner, claimed he was not discriminating on marital status but rather on conduct. A judge ruled the landlord could not

discriminate against unmarried couples.

Greene said the university has several options.

It could refuse to provide health care coverage for spouses, or it could rewrite its benefit plan to define "dependent" as a person for whom an employee provides the majority of financial support.

Or, Greene said, the benefit plan could be rewritten to indicate that

health care coverage would be available for all employees and their domestic partners, provided the employee and partner are willing to sign the Affidavit of Spousal Equivalency.

UAF's Human Resources director, Patty Kastelic, said she couldn't comment on the case until she had an opportunity to review the judge's decision.

the applicants for rental property were 'similarly situated' to married renters." Appellee Br. at 21. It argues that "[i]n order to be unlawful, discriminatory treatment must be directed toward individuals who are 'similarly situated.'" Appellant Br. at 16.

The University does not explain why it believes that the heterosexual couples in Swanner and Foreman were similarly situated to married renters while the homosexual couples in this case are not similarly situated to married employees. Two possibilities come to mind. First, it may be that the University believes that the Swanner/Foreman couples were "similarly situated" to married couples because they would have been allowed to marry but chose not to, unlike the couples in this case who the University claims are not permitted to marry. Such a distinction is irrelevant.⁸

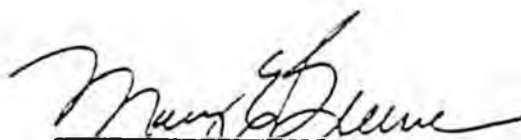
Next, it may be that the University believes that the Swanner/Foreman couples were "similarly situated" to married couples because they were financially interdependent while the couples in this case are not. Certainly, unmarried heterosexuals have no more claim to financial interdependence than unmarried homosexuals. Therefore, this rationale does not indicate that the Swanner/Foreman couples were "similarly situated" to married

⁸Even if this distinction were relevant, the University would have to show that same-sex marriages are prohibited in Alaska. The Alaska Supreme Court has not been asked to decide whether Alaska's marriage statute allows for same-sex marriages. The memorandum from the presiding judge of the Third Judicial District is not a conclusive statement of the law in this regard. Appellee Exh. A. The University has provided no legal argument that such marriages are prohibited.

articulated a basis for the discrimination: the legal mutual obligation of support that results from marriage. The court determines that this is pretextual. As noted before, to allow this basis for disparate treatment would be to eliminate the prohibition against marital status discrimination. Any employer could raise the argument with respect to any item of employee compensation. Recognition of the proffered reason for disparate treatment would result in circular reasoning. Accordingly, the court determines that Tumeo and Wattum have proven their allegation of discrimination based on marital status.

For these reasons, the court concludes that President Komisar's decision must be REVERSED. The matter will be REMANDED or further proceedings consistent with this opinion.⁹

DATED at Fairbanks, Alaska this 11 day of January, 1995.



MARY E. GREENE
Superior Court Judge

⁹Because of the disposition of this issue it is not necessary to reach the other two issues raised by appellants. In the interest of completeness the court notes that the Grievance Council misstated the law of sexual discrimination; mere "equal application" does not render a regulation nondiscriminatory. See Loving v. Virginia, 388 U.S. 1, 8, 18 L.Ed.2d 1010, 1016 (1967). However, the court concludes that the health plan does not discriminate on the basis of sex. (but marital status.)

The court does not reach the argument that the plan violates the requirement of merit-based employment because the University never addressed the issue and the case is remanded for further proceedings, where, if necessary, the University may consider the allegation in the first instance.

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Page 19

19

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OWENS & TURNER, P.C.
 Thomas P. Owens, Jr.
 Attorneys for Appellee University of
 1500 West 33rd Avenue, Suite 200
 Anchorage, Alaska 99503-3502
 (907) 276-3963

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
 FOURTH JUDICIAL DISTRICT
 AT FAIRBANKS

MARK TUMEO and KATE WATTUM,)	
)	
Appellants,)	Case No. 4FA-94-43 Civil
)	
v.)	APPELLEE UNIVERSITY OF
)	ALASKA'S MEMORANDUM OF
UNIVERSITY OF ALASKA,)	POINTS AND AUTHORITIES IN
)	SUPPORT OF MOTION FOR
Appellee.)	<u>RECONSIDERATION</u>
)	

OWENS & TURNER
 A PROFESSIONAL CORPORATION
 ATTORNEYS AT LAW
 1800 WEST 33RD AVENUE, SUITE 200
 ANCHORAGE, ALASKA 99503-3502
 (907) 276-3963

I. INTRODUCTION

This case stems from the University of Alaska's ("University") denial of dependent health care benefits for the same sex domestic partners of appellants Mark Tumeo and Kate Wattum, University employees. The University's denial of appellants' requests to enroll their same sex domestic partners in the University's health care program was based upon the definition of "dependent" in the University's health care plan, which allows for dependent coverage only for spouses, not for unmarried domestic partners.

OWENS & TURNER
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
1800 WEST 23RD AVENUE, SUITE 200
ANCHORAGE, ALASKA 99503-3502
(907) 276-3963

On January 11, 1995, this court issued a Memorandum Decision and Order in which it ruled that the University's definition of dependent in its employee health care plan violated AS 18.80.220's prohibition against discrimination in employment on the basis of marital status. In this motion for reconsideration, the University respectfully submits that, in assuming that AS 18.80.220's ban on marital discrimination is absolute, the court overlooked or failed to consider the Alaska legislature's explicit license to the State of Alaska and others, as employers, to discriminate in the provision of employee dependent health care coverage on the basis of marital status. Accordingly, in light of the clear evidence of the legislature's intent to allow public employers to discriminate in the provision of dependent health care coverage on the basis of marital status, this court should reconsider its January 11, 1995 order and uphold the University's denial of appellants' grievance.

II. ARGUMENT

A. The Court Overlooked or Failed to Consider Clear Evidence of Legislative Intent to Allow Discrimination on the Basis of Marital Status in the Provision of Dependent Health Care Coverage

Implicit throughout the court's January 11, 1995 decision is the premise that, in enacting AS 18.80.220, the Alaska legislature intended to issue a prohibition against discrimination on the basis of marital status that is absolute and incapable of exception. Indeed, the court's opinion that the Alaska legislature has evidenced no intent to allow a deviation from its ban on marital status discrimination is explicit as well as implicit. In distinguishing Phillips v. Wisconsin Personnel Commission¹⁷ from the instant case, the court stated:

The court does not regard Phillips as persuasive authority. The court in Phillips faced a much different statutory scheme. There the court was faced with two

¹⁷ 167 Wis.2d 205, 482 N.W.2d 121 (Wis. App. 1992).

OWENS & TURNER
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
1800 WEST 33RD AVENUE, SUITE 800
ANCHORAGE, ALASKA 99503-3502
(907) 276-3883

potentially inconsistent statutes: one prohibited discrimination based on marital status, the other defined "dependent" for the state health insurance plan as "spouse." Where two statutes are inconsistent, the court's task is to reconcile them in such a way as not to nullify either. Here there is only one statement of legislative intent: AS 18.80.220 prohibits discrimination based on marital status. There is no competing statute which requires interpretive gymnastics.²⁷

The court's implicit and explicit premise that the Alaska legislature's ban on marital status is unconditional is faulty, however. In AS 39.30.090, the legislature's mandate to the State of Alaska to provide health benefits for its employees, there is clear evidence of the legislature's intent that the ban on marital status not be absolute, pointedly with regard to an employer's provision of insurance benefits. AS 39.30.090 states in relevant part:

Sec. 39.30.090. Procurement of group insurance. (a) The Department of Administration may obtain a policy or policies of group insurance covering state employees, persons entitled to coverage under AS 14.25.168 [the Teachers' Retirement System], AS 22.25.090 [the Judicial Retirement System], AS 39.35.535 [the Public Employees' Retirement System] ..., or employees of other participating governmental units, subject to the following conditions:

* * *

(2) Each eligible employee of the state, the spouse and the unmarried children chiefly dependent upon the eligible employee for support and each eligible employee of another participating governmental unit shall be covered by the group policy, unless exempt under regulations adopted by the commissioner of administration.

Clearly, AS 39.30.090 is clear evidence of legislative intent that the ban on marital status discrimination in employment not be absolute. In the statute, the legislature did not state that dependent benefits would be available to "anyone who is financially dependent on the employee" or "anyone who is in a marriage-like relationship" or "anyone who signs an affidavit of spousal equivalency." Instead, the legislature mandated that dependent health care benefits shall be available

²⁷ Memorandum Decision and Order at 16.

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ANCHORAGE, ALASKA 99503-3502
(907) 376-3883

to the state employees' "spouse," the person who is in a state-created and state-enforceable marital relationship with the employee.

In addition to AS 39.30.090, the other statutes enumerated in AS 39.30.090 restrict dependent health care coverage to spouses as well. AS 14.25.168, the medical benefits provision of the Teachers' Retirement System, states:

Sec. 14.25.168. Medical benefits. (a) Except as provided in (c) of this section, the following persons are entitled to major medical insurance coverage if a benefit recipient elects coverage under this section:

- (1) A person receiving a monthly benefit from the system;
- (2) The spouse of a person receiving a monthly benefit from the system;
- (3) A natural or adopted child of a person receiving a monthly benefit, if the child is a dependent child as defined [by the Teachers' Retirement System].

Similarly, AS 22.25.090, the medical benefits provision of the Judicial Retirement System, states:

Sec. 22.25.090. Medical benefits. (a) Except as provided in (d) of this section, the following persons are entitled to major medical insurance coverage:

- (1) A person receiving a monthly benefit under this chapter;
- (2) The spouse of a person receiving a monthly benefit under this chapter;
- (3) A natural or adopted child of a person receiving a monthly benefit under this chapter, if the child is a dependent child under [this section].

Alaska Statute 39.35.535, the medical benefits provision of the Public Employees' Retirement System, states:

Sec. 39.35.535. Medical benefits. (a) Except as provided in (d) of this section, the following persons are entitled to coverage if a benefit recipient elects major medical insurance coverage under this section:

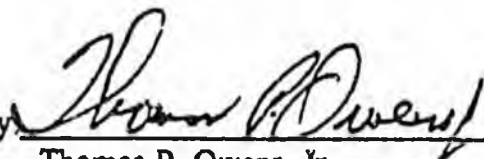
OWENS & TURNER
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
1800 WEST 33RD AVENUE, SUITE 200
ANCHORAGE, ALASKA 99503-3502
(907) 278-3963

- (1) A person receiving a monthly benefit from the system;
- (2) The spouse of a person receiving a monthly benefit from the system;
- (3) A natural or adopted child of a person receiving a monthly benefit from the system, if the child is a dependent child as defined in [the Public Employees' Retirement System].

As this court stated in its Memorandum Decision and Order, "Where two statutes are inconsistent, the court's task is to reconcile them in such a way as not to nullify either."³ Here, there are not only two statutes, but at least four that are inconsistent with AS 18.80.220's ban on marital status discrimination. The University respectfully submits that these statutes evidence clear legislative intent that AS 18.80.220's ban on marital status discrimination not be absolute, and that it be subject to deviation, explicitly with regard to the provision of dependent health care coverage by a public employer. Accordingly, this court should reconsider the line of reasoning used by it in its January 11, 1995 Memorandum Decision and Order and uphold the University's denial of dependent health care coverage to appellants' domestic partners.

RESPECTFULLY SUBMITTED at Fairbanks, Alaska this 23rd day of January, 1995.

OWENS & TURNER, P.C.
Attorneys for Appellee
University of Alaska

By 
Thomas P. Owens, Jr.

³ Memorandum Decision and Order at 16.

**HUMAN RIGHTS COMMISSION
CITY AND BOROUGH OF JUNEAU**

**POSITION PAPER
HOUSE BILL 226**

The City and Borough of Juneau Human Rights Commission opposes House Bill 226, legislation that permits employers to deny benefits to an employee's domestic partner other than a spouse and permits labor unions to negotiate such a denial of benefits. This bill amounts to discrimination on the basis of marital status.

The CBJ Human Rights Commission is charged with addressing unwarranted discrimination. We oppose the discrimination on the basis of marital status inherent in HB 226.

If HB 226 is intended to encourage people to make lifelong commitments, its goal is laudable but its aim is off target. Society benefits from the formation of unions between committed adults. Commitment, not marriage, is the hallmark of these unions, which can also entail shared finances, mutual dependence, and responsibility for children. The characteristics of a committed adult union do not depend on a marriage license.

Alaska is a state of individualists. When these independent people create a household, it often does not match a 1950s picture of the family. Many couples, in spite of their commitment to and dependence upon one another, are not married. In some cases, they are not free to marry. For example, one member of a couple may remain bound by law to a former spouse who will not cooperate, or cannot be located, to dissolve the marriage. If the remaining partner is unable to afford a lawyer to prosecute a default divorce, he or she remains married indefinitely. Likewise, same-sex couples are unable to marry regardless of the level of their mutual commitment and financial dependence.

If the State of Alaska is looking for ways to encourage committed unions between adults, it should not place undue emphasis on the legal fact of marriage. Doing so poses a barrier to the many unmarried partners who wish to take personal responsibility for their domestic partners.

The very first paragraph of Alaska's Constitution guarantees all of us "equal rights, opportunities, and protection under the law." The CBJ Human Rights Commission opposes HB 226 because it discriminates against committed partners who are not married, to the detriment of Alaska and in violation of the Constitution.

ALASKA WOMEN'S LOBBY

P.O. BOX 22156, JUNEAU, ALASKA 99802

POSITION PAPER ON MARITAL STATUS DISCRIMINATION - HB 226

The Alaska Women's Lobby supports Alaska's Human Rights laws as written and opposes the passage of HB 226.

HB 226 would amend those laws to allow employers to discriminate on the basis of marital status in the provision of benefits. It would specifically allow employers to compensate a married person more than a non-married person.

This bill seeks to overturn a recent Superior Court decision which found that the University of Alaska's attempt to grant health benefits only to married couples to be illegal discrimination on the basis of marital status.

In the Court decision, which is currently being appealed by the University, several options were suggested to allow the University to legally limit which employees may receive benefits.

The Court said that the University's health care plan could be rewritten to indicate that health care coverage would be available for all employees and their domestic partners willing to sign an affidavit showing a partnership involving financial interdependence.

The Court is clear that people may take on legal responsibility for one another under a variety of contracts. Marriage is not the sole method of providing for one's significant other.

Benefit packages allow employers to attract and retain good employees. The experience of many employers including other universities, hospitals, municipalities and businesses show that this continues to be the case when domestic partnership benefits are included. Inclusion of benefits for domestic partners have in most cases not resulted in premium increases and have had minimal impact on enrollment.

We urge you to set this bill aside and let the appeals process continue. Perhaps a solution can be found which allows the Human Rights Statute to be protected and remain intact.

If, however, HB 226 continues to be considered we strongly urge that it be amended to require that individuals receiving benefits for a third party be either married or a valid domestic partner by adopting an amendment concisely defining domestic partnerships and requiring legal evidence of financial interdependency.

Thank you for your consideration .

MENDEL & HUNTINGTON
ATTORNEYS AT LAW

845 "K" STREET
ANCHORAGE, ALASKA 99501

TELEPHONE (907) 279-5001
FAX (907) 279-5437

ALLISON E. MENDEL, PARTNER
LAWRENCE E. MENDEL, PARTNER
KARLA F. HUNTINGTON, PARTNER
LYNDA A. LIMÓN, ASSOCIATE

April 4, 1995

Honorable Rep. Robinson
House of Representatives
Juneau, AK 99801

RE: HB-226 & HB-227

Dear Representative Robinson:

I am writing to you to urge you NOT to support House Bills 226 and 227.

I am opposed to HB-227 because it is unnecessary and a waste of the legislature's time. The State has a clear policy of not issuing marriage licenses to same-sex couples, and that seems unlikely to change in the near future. There are plenty of real issues for you to deal with, without creating nonissues.

The only purpose I can see in this bill is, unfortunately, the usual purpose in gay-bashing. It has proved to be a reliable means of garnering conservative support, and of splintering the community in new ways. I am very disappointed at this cynical use of some people's emotional reactions to the subject of homosexuality for the purpose of political gain. I hope you will not be a party to it.

I am opposed to HB-226 for the same reasons, and because the bill is generally ill-conceived. I oppose chipping away at the Human Rights Act to deny protection to certain disfavored groups in certain situations. This is completely contrary to the purpose of giving equal rights to everyone. It is a very dangerous precedent. Further, there is no evidence that permitting health or other benefits to be extended to the families of all employees is detrimental to the public good. There is no evidence of a negative financial impact on the state. Further, treating employees equally and fairly tends to increase productivity and employee loyalty.

I urge you not to underestimate the number or interest of gay and gay-friendly voters. I am gay, I vote in every election, I donate to candidates and causes, and I am active politically. Because of the hostility which bills like these express, gay voters are likely to be low-profile. That does not mean we are not out here in numbers you may not expect, and in places you might not expect. Some of your best friends might be gay, and you may not know it.

P.O. Box 82708
Fairbanks, AK 99708
April 4, 1995

95

Rep. Cynthia Toohey
State Capitol
Juneau, AK 99801

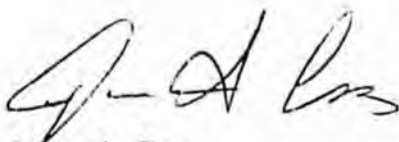
Re: H.B. 226

Dear Representative Toohey,

I am writing to urge you to oppose House Bill 226 in its present form. H.B. 226 seeks to allow discrimination based on marital status. I believe this sets a dangerous precedent by undermining our state's human rights laws. Our human rights statute is in place to protect the citizens of this state from discrimination. It should not be manipulated! The citizens of our state should have equal rights, and equal benefits should be extended for equal work. I know that Rep. Kelly believes that extending health benefits to domestic partners will result in skyrocketing health costs. How does he support this belief? There are many universities, municipalities, and businesses in the United States that already extend these benefits, and their costs did not increase more than 1% or 2%. Research and facts support this.

I understand that Rep. Robinson has offered an amendment to define "domestic partner". I do support her amendment should HB226 pass. But in my view, this legislation should fail as written. Please oppose H.B. 226 as it is currently written. Thank you.

Sincerely,



James A. Cruz

FACTS ABOUT DOMESTIC PARTNERSHIP BENEFITS

Contacts for further information:
Fairbanks: Mark Tumeo, 474-6090
Juneau: Sara Boesser, 586-5230
Anchorage: Allison Mendel, 279-5001

Domestic Partnerships are NOT the Same as Marriage

The establishment of a domestic partnership is NOT a substitute for marriage nor does it provide the same rights and privileges bestowed upon a married couple. A domestic partnership is a contractual relationship between two individuals who share long-term financial commitments with each other, and agree to share liabilities and assets. While such a contractual arrangement may provide such benefits as insurance coverage through one of the individual's employers, there are numerous rights which accrue to married couples which do not accrue to domestic partners and which cannot be gained through contractual arrangements outside marriage. Examples of some of these benefits are provided below.

Examples of Rights and Privileges Gained Through Marriage (NOT available through Domestic Partnerships)

- Joint parenting, joint adoption, joint foster care or custody.
- Dissolution and divorce protections, including child support.
- Immigration and residency for foreign partners.
- Crime victims recovery benefits.
- Veterans discounts on medical care, education and home loans.
- Wrongful death benefits for surviving partner and children.
- Bereavement or sick leave to care for partner or child.
- Joint leases with automatic renewal rights in event of death or departure of one partner.
- Inheritance of jointly-owned real and personal property through survivorship, avoiding taxes and probate.
- Spousal exemptions to property tax increases upon death of co-owner.
- Visitation status as next of kin for hospital visits.
- Joint insurance policies for home, auto and health.
- Inheritance in the absence of will.
- Rights to social security and medicare benefits.
- Joint filing of tax returns.
- Joint filing of customs claim when travelling.
- Domestic violence protection orders.

Domestic Partnership Benefits DO NOT Cause Economic Hardship

Currently, over 50 cities or municipalities, 60 universities and 100 private companies offer domestic partnership benefits. A complete listing of these organizations is provided in the attached information. As a result of their experiences, extensive data have been collected on the economic impact of extending health benefits to unmarried domestic partners. Without exception, there has been little to no economic impact when benefits were extended. Average enrollment increases ranged between 0.3% to 2%. There have been no associated increases in insurance premiums.

Using the data collected from the extensive experience of other universities, municipalities and private companies, if the University of Alaska extended domestic partnership benefits to its approximately 6000 employees, it could realistically expect an increased enrollment of approximately 60 people (1%). At the average additional cost to the University of approximately \$150 per month, this represents a total increase of only \$108,000 per year. This is less than a 0.6% increase over the approximately \$ 16.7 million the University expended in FY 1994 on benefits.

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

MENDEL & HUNTINGTON
ATTORNEYS AT LAW

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ANCHORAGE, ALASKA 99501

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Letter to Honorable Rep. Robinson
April 4, 1995
Page 2

We are not monsters who can be identified at a glance. We are voters and citizens just like you.

Sincerely,

MENDEL & HUNTINGTON

A handwritten signature in cursive script that reads "Allison Mendel". The signature is written in dark ink and is positioned above the printed name.

Allison Mendel

P.O. Box 82708
Fairbanks, AK 99708
April 4, 1995

1995

Rep. Cynthia Toohey
State Capitol
Juneau, AK 99801


Re: H.B. 226

Dear Representative Toohey,

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The Fairbanks Superior Court Decision DOES NOT threaten Private Companies

The recent Superior Court decision in Tumeo and Wattum v. The University of Alaska, is an Administrative Law decision that applies only to the case brought by Tumeo and Wattum. While it does set precedent for all public employers in the State, it does not open up a channel for litigation against private companies. All private employers are subject to the Employee Retirement Income Security Act of 1974 (ERISA). This law explicitly pre-empts any State law or State Court ruling regarding employee benefits. Only the State (therefore only public employees) are affected by this ruling.

Furthermore, in her decision, Judge Mary Greene did NOT order the University, or any other employer, to provide domestic partnership benefits. What she said was that providing benefits to a third party based only on the possession of a marriage license is unlawful. Many employers recognize that benefits are part of the compensation of their employees. This is a fact also recognized by the Supreme Court of the United States (see Newport News Shipbuilding and Dry Dock Corp. v. EEOC, 462 U.S. 669, 682, 77L.Ed.2d.89, 101 [1983]). Many private and public employers across the country ensure that equal work gets equal pay, without regard to marital status through a "cafeteria style" benefits program in which all employees receive the same value benefit package. Each employee is free to select the type of benefits they want within that value. If an employee wants additional benefits, then they are charged. This avoids having to pry into an employee's private life when determining compensation.

Providing Domestic Partnership Benefits Would NOT be an Administrative Burden

Extending domestic partnership benefits does not add additional administrative responsibilities. In the numerous public institutions that offer such benefits, a standard form is used. This form requires the applicant to certify or provide evidence of financial interdependency and provides legal protections to the institution against fraudulent claims. Examples of such forms used at the University of Iowa, Princeton University and Lotus Corporation are provided in the attached information. The application for benefits is then processed exactly like all other applications for the addition of a third party to a benefits package.

It is important to note that the same procedure is followed whenever an employee changes her or his status through marriage, death of a spouse or dependant or the birth of a child. Additionally, it is only a one-time event. After the change is made and the domestic partner is added, no other administrative burden accrues to the institution.

Sara Boesser
Committee for Equality Board Member
9365 View Drive, Juneau, AK, 99801; 586-5230

**Testimony on HB-226 [University benefits]
prepared for House HE&SS, 4-6-95 4-11-95**

Thank you for giving us an opportunity to testify.

I totally support Representative Robinson's amendment, and hope you will too. If you don't, the bill should die here, today, because no law should discriminate on marital status, period.

In my few minutes, I want to correct a misconception of the amendment that Representative Kelly made ~~last week and again today~~. He implied -- very wrongly let me assure you -- that this amendment would discriminate against possible domestic partners on the basis of their economic status. He could not be more wrong.

Since you've had time to read the amendment, by now you should know what the truth is too. Far from discriminating on a financial basis, **a domestic partnership can be formalized at no cost** (while a marriage license costs \$25).

You see, **the Robinson amendment lists 10 potential criteria: A to J. And to be a qualified domestic partner, a couple has to meet "at least five" of those criteria. Well, for employees -- and this amendment addresses employees -- six of the criteria are absolutely free. They are:**

- 1) Having entered into a legally binding domestic partnership agreement;
- 2) Being designated by the employee as a primary beneficiary of the employee's life insurance;
- 3) Being designated by the employee as primary beneficiary of the employee's retirement benefits in case of the employee's death;
- 4) Being designated as the primary beneficiary under the employee's will;
- 5) Being named by the employee under a durable health care or property power of attorney.
- 6) Having a co-parenting agreement with an employee.

There you have it -- six criteria -- all free. Therefore, protestations that this amendment might economically discriminate against anyone must be firmly disregarded.

I'd like to add that the remaining four criteria are also potentially of little or no cost to an employed person. For example, everyone lives somewhere -- so adding a partner's name to a lease or deed is not a large expense. Joint bank accounts can be entered into for as little as \$5. Most employees have a car -- adding a partner's name to that deed is not a big expense. And for employees with credit, adding another person to an account or to a liability is not an expense.

That covers it -- all ten criteria -- and any employee could meet at least five with little to no money.

In conclusion, this amendment should be welcomed by you all. It will guarantee more people paying for health care and fewer people on medicaid; it doesn't challenge the institution of marriage at all because *all* it grants is health benefits; extensive research shows it has had no economic impact in other states; and by passing this you won't gut State Human Rights law.

Please pass this amendment. Without it, 226 must die. Thank you.

Estimates from Aetna (information from Reed Stoops, 4/4/95)

If domestic partners are insured, Aetna's nationwide estimate is that it would add 340 new members per 100,000 presently covered members.

The additional cost conservatively would be 2% for the first year (without experience) and after that would be an additional 1% or less.

Aetna offers the domestic partner policy to 26 of its customers throughout the rest of the country.

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 20, 1995

FURTHER REFERRALS:

Judiciary

Date of Committee Action: 4/18/95

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 226

HOUSE BILL NO. 226

REPEAL OF MARITAL STATUS PROTECTIONS

"An Act permitting the provision of different retirement and health benefits to employees based on marital status."

recommends it be replaced with the following committee substitute

CS HB 226 (HES)

the same title
 a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal note(s) _____; fiscal note(s) _____

zero fiscal note(s) _____; zero fiscal note(s) All State Agencies

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>	<input checked="" type="checkbox"/>			
<i>[Signature]</i>				<input checked="" type="checkbox"/>
<i>[Signature]</i>			<input checked="" type="checkbox"/>	

CHAIR'S SIGNATURE

[Signature]



Alaska State Legislature

House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

SUBJECT OF MEETING:
 HB 226: MARITAL STATUS &
 Retirement Benefits

DATE: APRIL 18

PLACE: Capitol Room 106

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Daniel Collison		Po Box 21466, Juneau	99802	9-5001		(Y) N	226
MARGARET W BERCK	ACLU	227 7th St, Juneau	99801	9-0384	6-3309	(Y) N	226
GILIAN YAROS	SEAGLA	PO BOX 22493 JUNEAU	99802		3-2196	(Y) N	226
Marsha Buck	PFLAG Juneau	PO Box 32245 Juneau	99803	9-6167		(Y) N	226
Sara Besser	Committee for Equality - AK	Box 34202 Juneau 99803		9-9604	6-5230	(Y) N	226
Mary Graham	Myself	235 5th St #2 Juneau AK	99801	6-4438		(Y) N	226
Pam Neal	AK State Chamber	217 Second St #201 Juneau	99801	6-2323	→	(Y) N	226
						Y N	
						Y N	
						Y N	
						Y N	



Alaska State Legislature

House of Representatives
COMMITTEE ON HEALTH, EDUC
AND SOCIAL SERVICES

PLEASE FILL
IN ALL AREAS
OF WITNESS SHEETS

DATE: APRIL 18

6

SUBJECT OF MEETING:

HB 246: Eliminating
Pioneers' Home
Program

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
TALMADGE W. BAILEY	SELF	Box 34542 JUNEAU	99803	796 2519		<input checked="" type="radio"/>	N	226
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	



Alaska State Legislature
House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

SUBJECT OF MEETING:
*HB 226: Repeal of
 Marital Status
 Protections*

DATE: *MARCH 28*

PLACE: Capitol Room 106

X
X
✓
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NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
JUGAN HARGIS	SEAGLA	PO BOX 21542 JUNEAU	99802			(Y) N	
CAROL HANIKSON	PERSONAL	PO BOX 22473 JUNEAU	99802			Y N	
Mildred Boesser	PFLAG	17585 Lena Loop	99801	781-1445	---	(Y) N	HB 226
MARGARET W. BERCK	ACLU	227 7th St. JUNEAU	99801	9-0384	6-3309	(Y) N	HB 226
TALMADGE W. BAILEY	SEAGLA	P.O. Box 34542 JUNEAU	99803	790 2519		(Y) N	HB 226
MARK TUMES ^{TUMES}	SELF	1324 Summit Dr, FRAS	99712	474-6990		(Y) N	HB 226
Sara Boesser	Committee for Equality	Box 34202 JUNEAU	99803	781-9609		(Y) N	HB 226
Janell Olson	SEAGLA	PO Box 21466, JUNEAU	99802	789-5060		(Y) N	HB 226
JOHN GAGUINE ^{GAGUINE}	DEPT OF LAW	BOX 110300, JUNEAU	99811	465-2127	465-2127	IF ASKED Y N	HB 226
Mildred Boesser	Juneau Borough Human Rights Commission					Y N	
MARYLOU BURTON	UNIV. OF ALASKA	FAIRBANKS, AK	99775		(907) 463-3086	(Y) N	HB 226

Who is paying for the law bill
 What is the position of UAF
 Mary Graham 225 5th St #2 JUNEAU AK 99801 586-7938 (Y)