



State of New York
Department of Civil Service
Alfred E. Smith State Office Bldg.
Albany, NY 12239

EMPLOYEE BENEFITS DIVISION

INSTRUCTIONS FOR ENROLLING DOMESTIC PARTNERS IN THE
NEW YORK STATE HEALTH INSURANCE PROGRAM (NYSHIP)
(Excludes PAs)

PS-425 (5/11)

The following information pertains to enrollment under the New York State Health Insurance Program (NYSHIP) for Domestic Partners of individuals enrolled through New York State or a NYSHIP Participating Employer. **If you are enrolled through a Participating Employer, check with your agency Health Benefits Administrator (HBA) to find out if your employer offers Domestic Partner coverage.**

Who Can Be Covered As a Domestic Partner

As a NYSHIP enrollee, you may provide coverage as dependent to your same-or opposite-sex partner if the following requirements are satisfied:

- Each person is 18 years of age or older;
- Neither person is married;
- Neither person has had another Domestic Partner within one year prior to the date of application for Domestic Partner coverage under NYSHIP;
- You are not related by blood in a manner that would bar their marriage in the jurisdiction in which you reside;
- You have shared the same residence for at least six months immediately prior to the date of application for Domestic Partner coverage under NYSHIP;
- You have had an exclusive mutual commitment to share the responsibility for each other's welfare and financial obligations for at least six months immediately prior to the date of application for Domestic Partner coverage under NYSHIP, and that commitment is expected to last indefinitely.

In addition to providing proof of your Domestic Partner's eligibility for coverage at the time of application, you are required to maintain the ability to provide proof of eligibility for as long as you wish to continue to cover your Domestic Partner as your dependent in NYSHIP. You may also be required to periodically provide documentation of proof of your partner's eligibility. If at any time you are unable to provide proof of your partner's eligibility, you must complete Form PS-425.4, Termination of Domestic Partnership (included in the application packet), and submit it to the appropriate office.

Only individuals in a committed relationship who can document their joint residence and joint financial responsibilities will be considered for enrollment. Persons who live together for only economic reasons will not be considered to be Domestic Partners for the purposes of NYSHIP enrollment.

Coverage for Children of Domestic Partners

You may provide dependent coverage for your enrolled Domestic Partner's children. However, your Domestic Partner's children will lose eligibility if your Domestic Partnership ends or if you cease to be able to provide proof of eligibility for your Domestic Partner, unless you can document each child's eligibility as an "Other Child." (See your *NYSHIP General Information Book* for information about eligibility for "Other Children"). **Note:** Requirements for coverage of your partner's children under union-sponsored Employee Benefit Funds may differ from NYSHIP requirements. Consult the appropriate Employee Benefit Fund for its requirements.

Dental, Vision and Life Insurance

If you are enrolled in the New York State Dental, Vision or Life Insurance Programs, you may choose to provide dependent coverage for your Domestic Partner (and the Domestic Partner's children) in these programs as well. If you receive these benefits from an Employee Benefit Fund, the Employee Benefits Division (EBD) of the Department of Civil Service will forward the necessary enrollment information to those organizations. You may need to complete additional application forms that will be provided by the benefit funds before these benefits will be available.

If you are applying for Dental and Vision coverage **only**, please indicate this by writing **DENTAL VISION ONLY** at the top of Form PS-425.1, Application for Enrolling Domestic Partners and Affidavit of Domestic Partnership.

If you are enrolled through a Participating Employer, check with your agency Health Benefits Administrator to find out if your employer offers Domestic Partner coverage.

What Is Required When Applying for Domestic Partner Coverage

- **You will need TWO documents as proof of joint responsibility for basic financial obligations**

You must submit two forms of proof from the list of specific documents included in this package to prove that you and your Domestic Partner have been jointly responsible for basic financial obligations and that you have done so for at least six months immediately preceding the date of application for Domestic Partner coverage. If you submit proof that is older than six months, you are also required to submit that same form of proof that is dated within 30 days of your application. See Form PS-425.1 for the list of acceptable documentation that you can submit for this purpose.

In addition to providing these proofs at the time you apply for coverage for your Domestic Partner, you are required to maintain the ability to provide such proof for as long as your Domestic Partner remains enrolled as your dependent in NYSHIP.

- **You will need ONE document as proof of cohabitation**

You must submit one form of proof from a list of specific documents to prove that you and your Domestic Partner have resided together for at least six months immediately preceding the date of application for Domestic Partner coverage. If you submit proof that is older than six months, you are also required to submit that same form of proof that is dated within 30 days of your application. This proof may be one document on which both names appear or two separate documents that specify each partner's residential address. See Form PS-425.1 for the list of acceptable documentation that you can submit for this purpose.

In addition to providing these proofs at the time you apply for coverage for your Domestic Partner, you are required to maintain the ability to provide such proof for as long as your Domestic Partner remains enrolled as your dependent in NYSHIP.

Pre-Tax Contribution Program (PTCP)

NYSHIP enrollees who are eligible for the Pre-Tax Contribution Program (PTCP) and who cover a Domestic Partner may have their full premium contribution for the cost of Family health insurance coverage deducted from their wages before taxes are withheld.

Important: Under the PTCP, once you elect to change your coverage to family to add a Domestic Partner, you may not change your election back to Individual coverage unless you experience a qualifying event (such as a terminated partnership) and the change is requested within 30 days of the qualifying event.

Imputed Income

If the enrollee's Domestic Partner is a non-federally qualified dependent, the fair market value cost of the Domestic Partner's coverage is considered additional income to the enrollee. NYSHIP considers the fair market value cost the full share cost of individual coverage less the employee's premium contribution for dependent coverage. NYSHIP is required to calculate and report imputed income to the Internal Revenue Service (IRS) for all enrollees who are providing NYSHIP coverage for a non-federally qualified Domestic Partner. Refer to the appropriate group below for information on how imputed income is handled:

- **For Active New York State Employees** covering a non-federally qualified dependent, a biweekly imputed income amount will be reported to the New York State Office of the State Comptroller for each payroll period as additional income for tax purposes only. Additional withholding taxes will be calculated and withheld based upon the additional reported of imputed income. Imputed income is **not** an additional amount added to your total premium paid. It is additional taxable income based upon the fair market value of the non-federally qualified dependent's coverage. Check with your agency Health Benefits Administrator for an approximation of the fair market value for State-administered health coverage.
- **For Retirees of New York State and Participating Employers** covering a non-federally qualified dependent, a 1099-MISC will be issued at the end of the tax year, reporting the fair market value of the non-federally qualified dependent's coverage as additional income. In this case, the additional tax liability is reported and "paid" as part of the annual filing of federal income taxes. Check with the Employee Benefits Division for an approximation of the fair market value for State-administered health coverage.
- **For Active Employees of Participating Employers** covering a non-federally qualified dependent, enrollees may wish to contact the Participating Employer where they work for an approximation of the fair market value for State administered health coverage and how the imputed income will be reported.

Note: The Federal Internal Revenue Code determines whether your Domestic Partner is a "federally qualified" dependent. You should consult your tax advisor if you have questions as to whether your Domestic Partner is a "federally qualified" dependent, or if you have questions regarding the effect of these requirements on your taxes.

If you indicate that your Domestic Partner is a federally qualified dependent on the Form PS-425.3, Dependent Tax Affidavit (included in the application packet), this constitutes your direction and NYSHIP will not report imputed income.

When Medicare Enrollment Is Required of a Domestic Partner

- **For Active Employees:** Medicare is primary for an active employee's Domestic Partner who becomes Medicare-eligible at age 65 or due to having completed the 30-month coordination period for end-stage renal disease (ESRD). NYSHIP remains primary for an active employee's Domestic Partner who is otherwise Medicare-eligible due to disability. You must provide your agency Health Benefits Administrator with a copy of your Domestic Partner's Medicare card for proper coordination of benefits and to receive Medicare Part B premium reimbursement.
- **For Retirees:** Medicare is primary for a retiree's Domestic Partner who becomes Medicare eligible at age 65 or due to disability. You must send a copy of your Domestic Partner's Medicare card to the Employee Benefits Division for proper coordination of benefits and to receive Medicare Part B reimbursement.

When Domestic Partner Coverage Begins

When coverage begins is determined by your group. See the appropriate group below. Please note that the date your Domestic Partner is first eligible is the day that is exactly six months after the latest date noted in the residency and financial support proof documents you submit with your application for Domestic Partner dependent coverage.

For New York State Active Employees:

| First Eligible | Coverage Begins |
|--|--|
| If you apply within 7 days or less since first date of eligibility | On the date first eligible |
| If you apply more than 7 days since first date of eligibility, but less than 30 days | On the date of application if it coincides with the first day of a pay period; otherwise, it begins on the first day of the next pay period. |
| If you apply more than 30 days since first date of eligibility | On the first day of the fifth pay period following the pay period in which you apply |

For New York State Retirees, Vestees, and COBRA Enrollees and for both Active and Retired Employees of Participating Employers:

| First Eligible | Coverage Begins |
|--|--|
| If you apply within 7 days or less since first date of eligibility | On the date first eligible |
| If you apply more than 7 days since first date of eligibility, but less than 30 days | On the first day of the month following the month in which you apply |
| If you apply more than 30 days since first date of eligibility | On the first day of the third month following the month in which you apply |

How to Apply

Submit the following items to the appropriate office:

- Form PS-425.1, Application for enrolling Domestic Partners and Affidavit of Domestic Partnership in the New York State Health Insurance Program (NYSHIP) with supporting documentation as noted on the form
- Form PS-425.3, NYSHIP Dependent Tax Affidavit
- Photocopy of your Domestic Partner’s Birth Certificate
- Photocopy of your Domestic Partner’s Social Security Card
- Photocopy of your Domestic Partner’s Medicare Card (if applicable)
- Photocopy of your Divorce Decree (if applicable)

Active employees must also complete an additional Form PS-404, Health Insurance Transaction, which can be obtained from your agency Health Benefits Administrator in your personnel office.

Applications filed without the required affidavit or proofs will not be processed. If all required documentation is not submitted within **30 days** of the signed Form PS-404, Health Insurance Transaction, it will no longer be accepted. A new Form PS-404, Health Insurance Transaction will need to be completed, and the later signed request will be used as the date of request. Proof dated over one year will not be accepted. Ambiguity or lack of clarity will not be interpreted in the employee’s favor.

Where to Submit Your Domestic Partner Application and Supporting Documentation

Active Employees: Submit the required forms and proofs to your agency's Health Benefits Administrator located in the personnel office where you work.

Retirees, Vestees and COBRA enrollees: Submit the required forms and proofs to the New York State Department of Civil Service, Employee Benefits Division, Alfred E. Smith State Office Building, Albany, NY 12239.

You Must Report When a Domestic Partnership Has Ended

NYSHIP dependent coverage for your Domestic Partner will end on the date your domestic partnership ends or when you are no longer able to provide proof of your domestic partnership as required by NYSHIP. You must complete and submit Form PS-425.4, Termination of Domestic Partnership, within **60 days** of the date the relationship ends or cannot be documented. This form can be obtained in your personnel office, or the Employee Benefits Division of the Department of Civil Service.

If you do not file Form PS-425.4 on a timely basis, there may be claims that were paid for services rendered on and after the date the domestic partnership ended for which that you will liable. Also, failure to remove an ineligible Domestic Partner may result in disciplinary action by your employer or prosecution for insurance fraud.

In addition, when covering a child of a Domestic Partner, the child's coverage will also end unless you can document each child's eligibility as an "Other Child".

Note: You may not enroll another Domestic Partner, or reenroll the same Domestic Partner, until **one year** after the date the Termination of Domestic Partnership form is filed. Your former Domestic Partner's 60- day eligibility period for applying for COBRA continuation coverage starts on the date the relationship terminated, not the date you file the Form PS-425.4.