

# PPMS Same-Sex Domestic Partnership Coverage Procedures

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## Overview

The Public Employees Benefits Board (PEBB) voted to extend coverage to same-sex domestic partners of employees and retirees effective January 1, 2001. Under this policy, same-sex domestic partners can be added as eligible dependents and be extended all the same program options offered to spouses. The children of the partner are also be eligible for PEBB coverage.

To accommodate this change to the coverage policy, the ENROLLED: SPOUSE field in the Benefits Screen (PS0005) accepts the numbers 1 through 9, as well as the original Yes or No values. (More information about these codes is provided in the section below entitled [Processing a Domestic Partner Coverage Request](#).)

You can also use the code **W** (waived) in the ENROLLED: SPOUSE field. This code allows you to track waived-spouse or waived-partner data and use it for switching between self-pay and employer-paid coverage, COBRA, and so on. Use the W code for either a spouse or same-sex domestic partner. The waived spouse option is self-explanatory. Use the waived domestic partner option when:

- Only dental coverage is desired for the partner and **no** dependents are involved.  
–or–
- There are no partner's dependents but employee's dependents are covered.

**Note:** You **do not** need to change all of the Yes or No codes already entered in the ENROLLED: SPOUSE field. You only need to change the codes for those employees who want to claim coverage under the Domestic Partner policy.

## Processing a Domestic Partner Coverage Request

When you receive a request for domestic partner coverage, perform the following steps:

### Step 1: Determine if the domestic partner is Section 152 qualified

To determine if a domestic partner and his or her children (if applicable) are IRS Section 152 Qualified or Non-qualified, complete the certification process. Use the declaration forms provided by the Health Care Authority (HCA) and the Office of Financial Management (OFM).

## Step 2: Determine the scope of coverage

Determine which members of the domestic partnership will be covered or waived by the policy, for example:

- Cover domestic partner only.
- Cover domestic partner and children.
- Cover domestic partner and subscriber's children.
- Waive domestic partner and cover only the children.

## Step 3: Determine which codes to use in the Enrolled: Spouse field

Use the following table to determine which code (1 through 9) to place in the ENROLLED: SPOUSE field. Note that the term "partner" refers to the domestic partner and the term "subscriber" refers to the employee. (For an explanation of the last column, see [Step 5](#) below.)

Use this code in the Enrolled: Spouse Field	When certification yields this:	And coverage is for:	Enter Earn Type DOM on PS0003 and PS0013
1	Non-qualified	Domestic partner <b>only</b> is covered.	Yes
2	Non-qualified	Domestic partner <b>and only</b> the partner's children are covered.	Yes
3	Non-qualified	Domestic partner waived <b>but</b> the partner's children are covered.	Yes
4	Non-qualified	Domestic partner <b>and only</b> the subscriber's children are covered.	Yes
5	Non-qualified	Domestic partner <b>and both</b> the partner's and subscriber's children are covered.	Yes
6	Non-qualified	Domestic partner waived <b>but both</b> partner's and subscriber's children are covered.	Yes
7	Qualified	Domestic partner <b>only</b> is covered.	No
8	Qualified	Domestic partner <b>and any</b> of the partner's <b>or</b> subscriber's children are covered.	No
9	Qualified	Domestic partner waived <b>but any</b> of the partner's <b>or</b> subscriber's children are covered.	No
W	Qualified	Domestic partner waived.	No
W	Non-qualified	Domestic partner waived.	Yes

Pre- and post-tax dollars will automatically be calculated for you. Pre-tax dollars will be accounted for in the applicable Health Plan deduction code. Post-tax dollars will be accounted for in deduction code 039 (Health Deduction Common). Codes 1 through 6 will have pre- and post-tax calculations. Codes 7 through 9 will be accounted for in total as a pre-tax reduction.

The Health Reduction Indicator field will work normally with any of the new codes.

#### Step 4: Activate the Domestic Partner Earnings Type

If not already done, activate the Domestic Partner (DOM) earnings type. To do so, you—or whoever has the authority to make changes to the Earnings Control Table (PS9007)—need to do the following in PPMS:

1. In the Next Function line, type the following and press Enter:  
Func: **C** Screen: **PS9007** Key1: **DOM**
2. In the EARN STAT field (located in the lower right corner of the screen, just above the KEY3 field), change the value from **I** (inactive) to **A** (active). Press Enter.
3. Reload the edit table for your session using one of these two methods:

Method 1: Log out and then log back into PPMS.

Method 2: Press F8 (Menu) and then F2 (Reload Edit Table).  
If this method does not work, use Method 1.

#### Step 5: Determine tax liability and enter appropriate code

Referring to the above table, use the information in the last column (Enter Earn Type DOM on PS0003 and PS0013) to determine if there is an additional tax liability to the subscriber.

If the certification process indicates that the domestic partner and his or her dependents (if applicable) **are** Section 152 qualifying dependents, there will be **no** additional tax impacts to the subscriber. In this case, you would use codes **7, 8, or 9** (which have "No" in the Enter Earn Type column).

If the certification process indicates that the domestic partner and his or her dependents (if applicable) **are not** section 152 qualifying dependents, then the subscriber will have a taxable fringe benefit that needs to be taxed and reported. In this case, you would use codes **1, 2, 3, 4, 5, or 6** (which have "Yes" in the Enter Earn Type column). You must then account for the value of the state's (*not the employer's*) actual health insurance premium paid to the carriers attributable to the non-qualifying dependent coverage as a taxable fringe benefit.

For your reference, here are the current taxable premium amounts as provided by HCA and OFM:

**TABLE 1 (Effective 12/31/20)**

**Additional Monthly Taxable Income for Employees Enrolling Non-Qualified Dependents (Medical and Dental Coverage)**

Medical Plan	Domestic Partner only	Partner's Children only	Both Domestic Partner and Partner's Children
All medical plans	\$619	\$484	\$1103

**TABLE 2 (Effective 12/31/20)**

**Additional Monthly Taxable Income for Employees Enrolling Non-Qualified Dependents  
(Medical Coverage Waived, Dental Coverage Only)**

Dental Plan	Domestic Partner Only	Partner's Children only	Both Domestic Partner and Partner's Children
All dental plans	\$48	\$48	\$96

To account for the tax liability in PPMS, use the earnings type DOM on the Job Account Screen (PS0003) or Student/Hourly Job Screen (PS0013), as applicable. You will need to fill in the following fields:

- Account Code field
- Account Amount field
- Earn Type field (put DOM in here)
- Account Begin and Account End fields

**Important Notes:** For employees being paid **twice** a month, enter **one-half** of the full taxable amount in the Account Amount field. For example, a subscriber covering his or her partner and partner's children is liable for a total of \$1103 of this taxable fringe benefit per month **but only \$551.50 per pay period**. So, in this case, you would enter \$551.50 in the ACCOUNT AMOUNT field.

If the domestic partner's health coverage is **waived**, you still have to account for the dental portion as a tax liability. Table 2 above provides the appropriate amounts. This assumes, of course, that the employee is liable for the tax burden. Again, place one-half of the amount in the ACCOUNT AMOUNT field with the earnings type DOM in the Job Account Screen (PS0003) or Student/Hourly Job Screen (PS0013), as applicable.

## Understanding On-Screen Reminders and Error Messages

New edit messages have been added to the Job Account Screen (PS0003), Benefits Screen (PS0005), and Student/Hourly Job Screen (PS0013) as a reminder about what to do when you are entering the new codes for domestic partner coverage. When one of the following edit messages appears, press Enter to close it.

- When entering earnings type DOM on either the Job Account Screen (PS0003) or Student/Hourly Job Screen (PS0013) for the first time, you will see the message:  
EARN-TYP 'DOM' used, check PS0005 for SPOUSE HEALTH = 1-6
- When removing earnings type DOM from either the Job Account Screen (PS0003) or Student/Hourly Job Screen (PS0013), you will see the message:  
EARN-TYP 'DOM' removed, change SPOUSE-HEALTH on PS0005
- When using codes 1 through 6 in the ENROLLED: SPOUSE field on the Benefits Screen (PS0005), you will see the message:  
Domestic Partner, add EARN-TYP 'DOM' to PS0003 or PS0013  
You will not see this message for options 7, 8, or 9 since they do not use the earnings type DOM.

The following error messages have also been added:

- If you are entering codes 1 or 7 on the Benefits Screen (PS0005) and you inadvertently enter a number for dependents in the # DEPEND field, you will see the message:  
SPOUSE-HEALTH for DOMESTIC PARTNER; no DEPENDENTS allowed  
Codes 1 and 7 are for domestic partner coverage only and no dependents are allowed with these two codes.
- If you use codes 2, 3, 4, 5, 6, 8, or 9 and forget to enter a number in the # DEPEND field, you will see the message:  
SPOUSE-HEALTH for DOMESTIC PARTNER; requires DEPENDENTS

When using the earnings type DOM on the Job Account Screen (PS0003) or Student/Hourly Job Screen (PS0013), all edits related to earnings types (account information, begin and end dates, and so on) will apply.