



DISTRICT COUNCIL 16
Northern California Health and Welfare Trust Fund
4160 Dublin Boulevard, Suite 400
Dublin, CA 94568-7756
Toll Free (800) 922-9902 Fax: (925) 833-7301
Email: Dc16info@hsba.com
www.dci6trustfund.org



March, 2019

TO: All Participating Health & Welfare Employers & Participants
FROM: Trust Fund Administrative Office
SUBJECT: Domestic Partner Coverage – Imputed Income Effective November 1, 2016

Dear Participating Employer & Participant:

As you are aware, the Trust makes Domestic Partner coverage available to eligible employees of Participating Employers. Tax preferred benefits are not available to a domestic partner or child of a domestic partner unless the the person qualifies as a “qualifying relative” or if domestic partners are legally married. Section 152(d) requires three things for a domestic partner and children of a domestic partner to be “qualifying relative”: 1) he or she must have the same principal place of abode as the employee and be a member of the employees’ household for the entire tax year. 2) the employee must provide over half of his or her support, and 3) he or she must not be the “qualifying child” of the employee or of any other taxpayer.

If the domestic partner and his or her child do not qualify as the employee’s federal tax dependents, the “fair market value” of the coverage for them must be included in the employee’s wages for purposes of income tax holding, FICA and FUTA taxes. The employer is also required to include this amount in the employee’s W-2 statement. This means that any amount paid by the employer to cover these dependents will be added (imputed) to the employee’s taxable wages. As a result, the employees’ taxable income will be higher than the actual cash wages received in his or her paycheck.

Participants should consult their tax advisors for advice.

The attached exhibit enclosed with this notification represents the fair market values for Domestic Partner Rates effective March 1, 2019 – February 29, 2020.

If you have any questions regarding this information, please do not hesitate to contact the Trust Fund Office.

Best Regards,

HS&BA on behalf of the Board of Trustees
District Council 16 Health and Welfare Trust Fund

Enclosure

Administered By: HS&BA

EXHIBIT

**District Council 16 Northern California Health and Welfare Trust Fund
 Monthly Imputed Income for Domestic Partners
 Effective March 1, 2019 through February 29, 2020**

Medical	Domestic Partner	Child(ren)
Actives Plan A		
Direct Pay Medical	\$632	\$564
Kaiser	554	461
Actives Plan B		
Direct Pay Medical	\$625	\$558
Kaiser	468	389
Non-Medicare Retirees *		
Direct Pay Medical	\$279	\$249
Kaiser	397	329
Medicare Retirees *		
Direct Pay Medical	\$186	\$186
Kaiser	116	329
Dental	Domestic Partner	Child(ren)
Self-Funded Dental	\$48	\$43
DeltaCare PMI	28	24
UnitedHealthcare Dental	30	26
Vision	Domestic Partner	Child(ren)
Self-Funded Vision		
Actives	\$3	\$3
Retirees *	1	1

*Because Retirees self-pay 67% of cost, imputed income amounts shown reflect 33% of the fair market value of the coverage.