



November 1, 2019

First Name, Last Name

Address

City, State, Zip Code

Dear First Name:

Effective January 1, 2020, all employees who have elected to cover a Domestic Partner will pay taxes on the portion of the insurance premium paid by the employer taken on a pay period basis¹. Currently, NYC Health + Hospitals deducts premiums based on the pretax basis and does a tax charge back of the amount owed on your Domestic Partner's behalf at the beginning of the year.

Under federal tax law, the portion of an insurance premium that your employer pays for your coverage is not taxed as income. However, a domestic partner is not considered a spouse under federal law. As a result, if you elect to have your domestic partner covered under your plan, you will pay income tax and Social Security payroll tax on the portion of the insurance premium that your employer contributes to your domestic partner's policy.

Below, please find an **example of a tax implication on Health Benefits for a Domestic Partner** effective January 2020:

- An employee enrolled into a GHI-CBP Basic (Domestic Partner + Family) will now be **taxed** on a rate of **\$328.85** per pay period (which is the amount of the individual pretax premium and what NYC Health and Hospitals contributes) as oppose to a tax pay back.

Please note, taxable amount may vary depending on your **medical** coverage plan.

This amount does not include any benefit taxes you may incur with your **WELFARE FUND**.

Please visit the Employee Resource Center at ess.nychhc.org for additional information on Open Enrollment Information.

The Fall 2019 Annual Health Benefits Program Open Enrollment Period begins November 1, 2019 and ends November 29, 2019. Health Plan changes requested during the Open Enrollment period will be effective January 1, 2020.

¹ Previous communication sent to employees incorrectly stated that the *after tax* employer portion premium would be taken on a pay period basis.