



OHIO
UNIVERSITY

Human Resources

Tax Information Sheet for Domestic Partners

The Internal Revenue Code provides that gross income includes compensation for services, including fees, commissions, fringe benefits, and similar items.

As with many forms of compensation for services offered by Ohio University to its employees, insurance benefits are taxable gross income by IRS unless excluded by IRS rules.

There is a question as to whether the payments made on behalf of Domestic Partner by the University under the new policy are taxable or non-taxable to the employee.

Section 106 of the Internal Revenue Code provides that gross income of an employee does not include employer provided coverage under an accident or health plan through insurance or otherwise. This includes the coverage for a spouse, or other dependents as defined by IRS. Coverage provided for individuals other than the employee and his or her dependents, as defined by IRS, is taxable income to the employee.

Therefore that portion of health insurance coverage or other non-cash benefits attributable to a domestic partner will be considered gross income to the employee unless the domestic partner meets the definition of a dependent of the employee for IRS purposes.

Under the IRS Code, a domestic partner, to qualify as a dependent, must be an individual who receives more than half of his or her support for the calendar year from the employee and is an individual who for the taxable year of the employee has his or her principal place of abode in the home of the taxpayer and is a member of the taxpayer's household.

As an employee who is enrolling for domestic partner benefits, please be aware that the Declaration of Domestic Partner Status is intended for internal purposes only and does not define the domestic partner as a dependent for IRS purposes. The partner must meet the definition of dependent under IRS rules for the employee's benefits that are attributable to the domestic partner to be considered non-taxable income.

The employee is advised to seek professional tax advice on this matter. Ohio University and the Office of Human Resources do not intend this information to be legal tax advice, and does not warrant the accuracy of the information provided on this matter. Ohio University will not accept responsibility for any loss or tax liability of the employee or his or her partner in the offering of domestic partner benefits.