

Registered Domestic Partner Coverage

Be aware that there are tax consequences of covering a registered domestic partner on your health coverage benefits. The IRS has ruled that a registered domestic partner is not a legal spouse for Federal tax purposes. Please confirm with your tax accountant if you meet the specific requirements for exceptions to this rule. Employers are obligated to report and withhold taxes on the value of the registered domestic partner's coverage. This is called "imputed income" and is included on your W-2 Form at the end of the year. Imputed income is determined by the amount that Chapman University pays in premiums for registered domestic partner coverage. This amount raises your taxable gross income. Also, the payroll deductions to cover a registered domestic partner must be taken on an after-tax basis. After-tax means that the deduction is made after taxes are withheld from your paycheck, and therefore, does not reduce taxable income.