Commonwealth Retirees’ Health Coverage for Domestic Partners

Retirees covered under the Retired Employees Health Program (REHP) who have a domestic partner or child(ren) of a domestic partner enrolled as of December 31, 2019 can be covered through December 31, 2020. The REHP plan of benefits includes medical and prescription drug. Those who cover domestic partners will be charged the same rates and have the same plan choices as those in place for spousal and dependent coverage.

To Apply
Retirees cannot add a new domestic partner after December 31, 2019. Employees who retire in 2020 and have an existing domestic partner covered under their active benefits may continue to cover the domestic partner under the REHP through December 31, 2020.

Dependent Children
Coverage for domestic partner’s dependent children is also available through December 31, 2020. Children must reside in the household of the retiree and domestic partner and documentation is required. The PEBTF can answer questions about covering dependents.

Tax Implications
Although retirees who cover domestic partners will be charged the same rates for health care coverage, the IRS taxes the value of the benefits provided to domestic partners. Retirees must pay federal and FICA taxes on the value of the benefits provided to domestic partners (known as imputed income). For calendar year 2020, the monthly imputed income is $259.29 for medical benefits and $173.64 for prescription drug benefits. However, there are no additional taxes for retirees who already have family coverage; for example, a retiree with their own child on coverage will incur no additional charges if they add a domestic partner.

Please note: Tax liability will not be prorated on a monthly basis for retirees. Additional information about tax implications for retirees is available at www.pebtf.org. This information, however, does not constitute tax advice. Retirees are encouraged to seek professional tax assistance.

W-2 forms will be mailed at the end of the year.
**Termination of Domestic Partner Coverage**
If a partnership ends, the retiree must notify SERS (or the PEBTF if you are not receiving a SERS pension) within 60 days and must complete:

- Retiree Change Form (PEBTF-10)
- Individual Domestic Partnership Termination Statement Form (PEBTF-13)

At that time, a HIPAA notice and COBRA continuation of coverage notification will be mailed to the former domestic partner so they may elect coverage if needed. Retirees are responsible for reporting changes in a timely manner and are responsible for any claims incurred when dependents are not eligible for such benefits.

**Questions**
Retired employees should contact SERS at 1.800.633.5461 or the PEBTF at 1.800.522.7279.