XYZ COMPANY GROUP HEALTH PLAN
CERTIFICATION OF QUALIFYING RELATIVE TAX STATUS FOR HEALTH COVERAGE PURPOSES

PLEASE READ THIS ENTIRE FORM, COMPLETE THE CERTIFICATION IN PART 4 BELOW AND SIGN WHERE INDICATED

All employees who are enrolled in family health coverage at XYZ Company must complete and return this form to Human Resources if one of the following individuals is enrolled in the employee's health coverage:

• A same sex spouse • A domestic partner • An ex-spouse

The purpose of this form is to certify the dependent tax status of an individual listed above who is enrolled in the employee's health coverage. Employer sponsored health coverage provided to individuals who are not the tax dependent of the employee for health coverage purposes is a taxable benefit that must be included in the employee's gross income.

Before signing this certification form, we recommend that you consult with a tax advisor.

There is a separate certification form for enrolled children aged 19 and older. Do not use this form for these older dependent children.

1. Dependent Eligibility under XYZ Company Plans

The XYZ Company health and dental plans allow employees to enroll the following as dependents under the plan:

- Legally married spouses, both opposite sex and same sex.
- Domestic partners [who reside in states where same sex marriages are not allowed].
- Ex-spouses if required by the divorce decree under Massachusetts law.

2. Qualifying Relative Tax Status for Health Coverage Purposes

For purposes of this form, a "qualifying relative" is a person who is not your opposite sex spouse and:

- who is a member of your household;
- who lives with you for all 12 months of the year;
- your relationship with this person does not violate local law;
- who is not your opposite sex spouse at any time during the year; and
- you provide more than one-half of the person's support for the year.

3. Imputed Income

The federal tax code requires that the fair market value of health benefits provided under an employer-sponsored health plan to individuals who are NOT spouses or "qualifying relatives" be included in the federal gross income of the employee. This taxation of health benefits provided to "non-qualifying relatives" is known as imputed income. Imputed income is subject to federal income tax and FICA/Medicare withholding.

Imputed income rules for Mass income tax purposes differ somewhat from the federal tax rules for same sex spouses. To the extent that imputed income is included in the Mass gross income of the employee, the imputed income is subject to Mass income tax withholding as well.

4. Certification

The following individual _____ [PRINT name of individual] is enrolled in my group health coverage as my *(check as applicable):*

☐ Same sex spouse Date of Marriage ___ / ___ / ___

☐ Ex-spouse Date of Final Divorce Decree ___ / ___ / ___

☐ Domestic partner Date of Partnership ___ / ___ / ___

I certify that s/he:

☐ Qualifies as my "qualifying relative" presently, as defined above.

-- OR –

☐ Does not qualify as my "qualifying relative" presently, as defined above.

I agree to immediately notify XYZ Company if the above named individual covered under the Plan ceases to be my qualifying relative as defined above, including any change that may occur mid-year. I understand that any change in such status may result in retroactive application of taxes to amounts previously paid for health coverage under the Plan during the year.

I understand I will be responsible for any costs or expenses (including tax penalties) that XYZ Company incurs as a result of its reliance on this certification, or if I fail to promptly notify XYZ Company of any loss of qualifying relative status of the above-named individual.

_____
Employee Signature

_____
Print Name

Date: _____