



Frequently Asked Questions

Q: What is a domestic partner?

A: A domestic partner is a person of the same or opposite sex with whom the Paycor Associate has established a Domestic Partnership.

Q: What is a Domestic Partnership?

A: A Domestic Partnership is a relationship between a Participant and one other person of the same or opposite sex. All of the following requirements must apply to both persons:

- They must not be related by blood or a degree of closeness that would prohibit marriage in the law of the state in which they reside.
- They must not be currently married to, or a domestic partner of, another person under either statutory or common law.
- They must be at least 18 years old.
- They must be financially interdependent and share a close, committed, and exclusive personal relationship and intend for that relationship to be of lasting duration.
- They must have shared the same permanent residence and the common necessities of life for at least six months and intend to reside together indefinitely.
- They must be mentally competent to enter into a contract.
- Neither partner is in the relationship solely to obtain benefits under the plan.

You will be asked to sign a Domestic Partnership Affidavit confirming your domestic partnership meets the above criteria and affirming your relationship status, along with providing additional supporting documentation.

Q: Can I carry my domestic partner on Paycor's health plans?

A: Yes. If you're able to meet the Domestic Partnership eligibility criteria and provide appropriate documentation of your domestic partner relationship, you may carry your domestic partner on Paycor's health plans.

Appropriate documentation includes a completed Domestic Partnership Affidavit, Declaration of Domestic Partner's Tax Status **and** two supporting joint documents (i.e., utility bill, mortgage statement, auto insurance statement, property tax statement) **or** a Certificate of Registration to acknowledge your Domestic Partnership.

Q: Can I carry coverage for the children of my domestic partner on Paycor's health plans?

A: No. In 2022, Paycor will not be providing the option to add children of your domestic partner to our health plans, however, we will evaluate this approach on an annual basis.

Paycor Associates may continue to carry their dependent children on Paycor's health plans by providing the required supporting documentation.

Q: What are my tax consequences if I carry my domestic partner on Paycor's benefit plan?

A: If you pay health insurance for a domestic partner who is not a legal spouse or tax dependent as defined by the IRS, the estimated value of those health benefits will be credited to you as "imputed income." This means that amount will be added to your total income and is taxable. Imputed income values for medical, dental and vision plans are available at mypaycorbenefits.com.

*If both the Paycor Associate and the respective domestic partner are residents of the State of California, imputed income will not be calculated on the value of the domestic partner's health coverage elections.

Q: What is imputed income?

A: Imputed income represents the value of benefits Associates receive that are not a part of your salary or wages but still get taxed as part of your income.

Q: How will imputed income be managed?

A: The frequency and approach to applying imputed income to your taxable income are being determined. Details will be provided and communicated as they are finalized.

Q: Can my domestic partner qualify as a tax dependent?

A: Yes. It is possible for your domestic partner to qualify as a tax dependent. The criteria is:

- They lived with you for a full tax year , except for temporary reasons such as vacation, military service, or education.
- They received more than half of their support from you.
- They are a citizen of the United States.

If your domestic partner does not meet the above criteria, they are not a tax dependent and imputed income will be calculated as part of your income.

In order to qualify as a tax dependent domestic partner, appropriate documentation includes a completed Domestic Partnership Affidavit, Declaration of Domestic Partner's Tax Status **and** two supporting joint documents (i.e., utility bill, mortgage statement, auto insurance statement, property tax statement) **or** a Certificate of Registration to acknowledge your Domestic Partnership. **Additionally, documentation supporting the tax dependent nature of your relationship will be required including providing a redacted copy of your most recent IRS 1040 tax form.**

For purposes of enrolling in Paycor's Health Plans, tax dependent status can only be certified during Annual Enrollment for the upcoming plan year or upon being newly hired and/or benefits eligible at Paycor. Tax dependent status cannot be updated throughout the plan year.

Q: What does it mean if my domestic partner qualifies as a tax dependent?

A: If your domestic partner qualifies as a tax dependent, you will **not** have to pay imputed income on the value of the health benefits provided.

Q: Can I add a domestic partner at any other time than during Annual Enrollment?

A: This answer assumes your Domestic Partnership meets all defined criteria and you can provide required supporting documentation.

As an existing Associate, you may add a domestic partner during Annual Enrollment. Newly hired Associates can add their domestic partner when they initially enroll in benefits.

You may also add your domestic partner to coverage if they experience a loss of coverage at any other time during the plan year. These changes must take place within 30 days of the event. These are the only circumstances and timing allowed for adding a domestic partner to Paycor's Health Plans.

Q: When can I drop a domestic partner on the Paycor Health Plans?

A: As an existing Associate, you may drop your domestic partner during Annual Enrollment. Additionally, you may remove your domestic partner from coverage if your domestic partnership dissolves or no longer meets the required Domestic Partnership criteria, if your domestic partner gains coverage elsewhere, or if your domestic partner passes away. These changes must take place within 30 days of the event, and you must complete a Domestic Partnership Termination Affidavit.

Q: Will I be required to pay a medical surcharge to provide medical benefits for my domestic partner if they are otherwise eligible for benefits?

A: You will be required to pay a medical surcharge to carry any domestic partner on Paycor's medical plan if they are otherwise eligible for benefits. The medical surcharge is post-tax and will not be subject to imputed income under any circumstance.

Q: Will I be eligible for additional Paycor HSA contributions if I carry my domestic partner?

A: If you are currently enrolled in single (Associate only coverage) and you add a domestic partner, you will be eligible to receive additional HSA contributions from Paycor.

Q: Can I use my HSA contributions for eligible expenses for my domestic partner?

A: It depends. According to IRS Guidelines, you **are** eligible to use your HSA contributions for your tax dependent domestic partner, however, you **are not** able to use your HSA contributions for non-tax dependent domestic partner.

Q: Can I use my FSA contributions for eligible expenses for my domestic partner?

A: It depends. According to IRS Guidelines, you **are** eligible to use your FSA contributions for your tax dependent domestic partner, however, you **are not** able to use your FSA contributions for non-tax dependent domestic partner.

Q: If I experience coverage changes with my domestic partner, can I make changes to my Flexible Savings Account (FSA)?

A: No. A change in coverage related to your domestic partner does not allow you to make changes mid-year to your FSA.

Q: If my Domestic Partnership dissolves, how long do I have to notify Paycor of the change?

A: You have 30 days to inform us of the change in your relationship and to make appropriate coverage changes.

You may not establish a new Domestic Partnership for at least 6 months following the dissolution of a prior Domestic Partnership.

Q: How do I enroll my domestic partner during Annual Enrollment?

A: You will add your domestic partner during Annual Enrollment and someone from the Benefits Team will follow-up with you to request necessary documentation that must be provided to complete the domestic partner enrollment process.

Q: Is my domestic partner eligible for COBRA?

A: Yes. Your domestic partner may be eligible for COBRA.

Q: Is my domestic partner eligible for voluntary life insurance?

A: Yes. Your domestic partner is eligible for voluntary life insurance.

Q: Will you honor a civil union?

A: No. Civil Unions will not be honored as a Domestic Partnership.