



## **HOLLYWOOD SUPPORTS DOMESTIC PARTNER TASK FORCE**

### *MODEL DOCUMENTS FOR EXTENDING GROUP HEALTH COVERAGE TO EMPLOYEES' DOMESTIC PARTNERS*

As you know, employees of MCA INC.; Viacom, Inc.; Home Box Office; Warner Bros.; Time, Inc.; Sony Pictures Entertainment; and Capital Cities/ABC, Inc. now have the option of including their same-sex partners as dependents under their employer's group health plan. This option also provides coverage for the same-sex partner's eligible dependent children, if any. To exercise the option, employees must file an affidavit like the one enclosed stating that their partner is their "spousal equivalent." Employees then have 31 days from the date of filing the affidavit to enroll in one of the company's health care plans that permit coverage of spousal equivalents. The documents each of these companies is using to establish eligibility and to enroll the spousal equivalent into the health plan are based on the enclosed Hollywood Supports model documents.

These documents were drafted by Hollywood Supports' domestic partner task force for use by entertainment industry employers and unions interested in extending benefits either to employees' same-sex partners only, or to employees' domestic partners in general, including same-sex partners. Each document was drafted to be equally usable in establishing eligibility for dependent coverage for married partners and unmarried partners. The documents could be easily altered, however, for use in establishing eligibility only for spousal equivalents. In addition, the documents contain a number of optional provisions and optional time periods (variable by employer), which are indicated by brackets. The model documents contained in this packet are as follows:

- (1) Health Coverage for Employees' 'Spousal Equivalents': Overview of Model Plan;
- (2) Spouse/Spousal Equivalent Health Care Coverage Information Sheet;
- (3) Affidavit of Marriage/Spousal Equivalency;
- (4) Health Care Enrollment Statement (including exhibits summarizing continuation of coverage benefits and tax consequences); and
- (5) Statement of Disenrollment, Legal Separation, Divorce, Death or Termination of Spousal Equivalency

The Hollywood Supports domestic partner task force included Glenn Carlson of Arthur Anderson & Co., AIDS Project Los Angeles insurance expert Jacques Chambers; Lynn Franzoi, Vice President, Benefits, at Fox Inc.; Susan Goodwin, Manager of Group Benefits at MCA; Gay & Lesbian Alliance Against Defamation board member Will Halm; Hollywood Supports Executive Director Richard Jennings; Janice Phoenix of Price Waterhouse; and Mike Powers of William M. Mercer Incorporated.

Please call Hollywood Supports at (213) 655-7705 if you have questions regarding these documents. Hollywood Supports is available to arrange meetings between task force members and interested individuals to explain and discuss the issues involved in implementing this coverage.

## **HEALTH COVERAGE FOR EMPLOYEES' SPOUSAL EQUIVALENTS' OVERVIEW OF MODEL PLAN**

### *HOW DOES AN EMPLOYEE QUALIFY FOR THIS BENEFIT?*

- If an employee and his or her partner are "spousal equivalents," they can qualify for this benefit by filing an Affidavit of Marriage/Spousal Equivalency with the Company Plan Administrator or designated representative.
  - "Spousal equivalents" are defined in the model affidavit as "two adults [of the same sex] who have chosen to share their lives in an intimate and committed relationship, reside together, and share a mutual obligation of support for the basic necessities of life."
  - Specifically, the model affidavit asks employees seeking this benefit to acknowledge that they and their spousal equivalent are not related by blood to a degree of closeness that would prohibit legal marriage; are mutually responsible for the cost of basic living expenses; are both at least the minimum age of consent in the state in which they reside; reside together and intend to do so permanently; and that neither is married to anyone else.
- After, the affidavit is filed, the employee has 31 days to enroll for coverage of the spousal equivalent and his or her eligible dependents, if any. Enrollment is accomplished by filing a Health Care Enrollment Statement.
  - The Health Care Enrollment Statement must be accompanied by some proof that the employee and the spousal equivalent reside together and that they are financially interdependent.
    - Proof of residing together can include driver's licenses or passports showing the same address, mortgage documents or a deed.
    - Proof of financial interdependence can include a joint checking account, credit cards with the same account number in both names, designations of each other as authorized signatories on safe deposit boxes, joint wills, or powers of attorney for health care.
  - If the employee does not enroll the spousal equivalent and eligible dependents for this coverage within the 31-day time period, evidence of insurability of the spousal equivalent and eligible dependents, if any, may be required, unless the spousal equivalent has lost his or her existing employee health coverage, as defined under the terms of the underlying plan(s).
- If an employee chooses to exercise this option, he or she will be able to choose from health care plans offered by insurers that have agreed to coverage of spousal equivalents. (This may not include all of the company's health insurance plans; for example, as of yet, most of MCA's HMO plans have not chosen to provide this coverage for spousal equivalents.)

*WHAT HAPPENS TO THE SPOUSAL EQUIVALENT'S COVERAGE WHEN THE EMPLOYEE LEAVES EMPLOYMENT OR DIES?*

- Although a spousal equivalent does not have the right to COBRA coverage under existing federal law, the model documents contemplate that the employer will offer continued coverage in certain cases in which COBRA coverage is not available. Specifically, the model documents provide a covered spousal equivalent, and his or her dependents, if any, to continue coverage at the COBRA rate applicable to the plan following:
  - The employee's termination of employment, until the expiration of the employee's COBRA coverage, for up to 18 months.
  - The death of the employee, up to 36 months.
- Except in the event of the employee's death, the spousal equivalent shall not be permitted to continue coverage beyond the date of the termination of the spousal equivalent relationship, or beyond the date that the spousal equivalent becomes eligible for coverage under Medicare.

*WHAT ARE THE TAX CONSEQUENCES OF THIS BENEFIT?*

- Unless the spousal equivalent is also considered the employee's dependent for tax purposes under Section 152 of the Internal Revenue Code, the Internal Revenue Service currently treats as imputed income to the employee the value of the health coverage provided spousal equivalents and their dependents, if any, less any contribution paid by the employee for this coverage.
- To calculate an employee's income attributable to the spousal equivalent coverage, the task force suggests the following formula:

$I = F - S - C$ , where

**F**= applicable COBRA rate (less than 2% administrative fee) for family coverage;

**S**= applicable COBRA rate (less than 2% administrative fee) for single coverage;

**C**= additional after-tax contribution to cover nondependent(s); and

**I**= imputed income to employee with respect to nondependent(s) coverage.

- Employees are advised to review the consequences of electing this benefit with their own tax advisors.

*ARE THERE ANY OTHER LEGAL CONSEQUENCES?*

- Employees wishing to opt for this benefit are advised to consult an attorney regarding the possibility that the filing of the Affidavit of Marriage/Spousal Equivalency may have other legal consequences, including the fact that it may, in the event of termination of the spousal equivalent relationship, be regarded as a factor leading a court to treat the relationship as the equivalent of marriage for the purpose of establishing and dividing community property, or for ordering payment of support.

## **SPOUSE/SPOUSAL EQUIVALENT HEALTH CARE COVERAGE EMPLOYEE INFORMATION SHEET**

### **Coverage for Spouses – General Instructions**

- Before you can elect to cover your Spouse under Company's group health care coverage, you must file an Affidavit of Marriage/Spousal Equivalency.
- To extend coverage to your Spouse and eligible dependents, if any, you must complete the Health Care Enrollment Statement and provide a copy of the marriage certificate.
- [Evidence of insurability of your Spouse will be required unless you opt to extend coverage to your Spouse and eligible dependents, if any, within 31 days of the date of marriage, or unless your Spouse subsequently loses employee health coverage, as defined under the terms of the underlying plan(s) ("Plan").]

### **Coverage for Common Law Spouses – General Instructions**

- Before you can elect to cover your Common Law Spouse under Company's group health care coverage, you must file an Affidavit of Marriage/Spousal Equivalency.
- To extend coverage to your Common Law Spouse and eligible dependents, if any, you must complete the Health Care Enrollment Statement and provide documentation demonstrating that you and your Common Law Spouse have established a valid common law marriage.
- Evidence of insurability of your Common Law Spouse will be required unless you opt to extend coverage to your Common Law Spouse and eligible dependents, if any, within 31 days of filing the Affidavit of Marriage/Spousal Equivalency, or unless your Spouse loses employee health coverage, as defined under the terms of the underlying plan(s) ("Plan"), after an Affidavit of Marriage/Spousal Equivalency has previously been filed.]

### **Coverage for Spousal Equivalents – General Instructions**

- Before you can elect to cover your Spousal Equivalent, as defined in the Affidavit of Marriage/Spousal Equivalency, you must first file the Affidavit of Marriage) Spousal Equivalency.
- To extend health care coverage to your Spousal Equivalent and eligible dependents, if any, you must complete the Health Care Enrollment Statement and provide the required documentation as outlined in the Statement, and as further explained below. The Health Care Enrollment Statement includes attachments listing the plans available and explaining the estimated value of the benefit for tax purposes, as well as the continuation of coverage benefit in the event you are terminated from employment or die.
- [Evidence of insurability of your Spousal Equivalent and eligible dependents, if any, will be required unless you opt to extend coverage to your Spousal Equivalent and eligible dependents, if any, within 31 days of filing the Affidavit of Marriage/Spousal Equivalency, or unless the Spousal Equivalent loses employee health coverage, as defined under the terms of the Plan, after an Affidavit of Marriage/Spousal Equivalency has previously been filed.]

### **Affidavit of Marriage/Spousal Equivalency**

- An Affidavit of Marriage/Spousal Equivalency is required if you wish to opt for group health coverage for your Spouse, including a Common Law Spouse, or Spousal Equivalent on or after \_\_\_\_\_, 19\_\_\_\_.

- For married employees, the name of the Spouse and the date and place of marriage must be completed.
- For employees who have established a valid common law marriage in one of the 15 states listed in the Affidavit of Marriage/Spousal Equivalency, the name of the Common Law Spouse must be completed.
- For a Spousal Equivalent relationship, the Spousal Equivalent's name must be completed. For purposes of the definition of "Spousal Equivalents," the following terms have the following meanings:
  - "Reside together" means that the two individuals share the same residence. It is not necessary that the legal right to possess the residence be in both of their names (i.e., the lease or deed need not be in both names). The two may "reside together" even if one or both have additional living quarters as long as they generally share the same residence. Spousal Equivalents do not cease to reside together if one temporarily leaves the shared residence but intends to return.
  - "Basic living expenses" means the cost of basic food and shelter. The individuals need not contribute equally or jointly to the cost of these expenses as long as they agree that both are responsible for the costs.

[In addition, if you and your Spousal Equivalent reside in a jurisdiction that permits registration of domestic partners, including Spousal Equivalents, you will have to provide evidence that you and your Spousal Equivalent have registered as domestic partners within 31 days of the filing of the Affidavit of Marriage/Spousal Equivalency. The jurisdictions in which registration of domestic partners is currently permitted, as of October 1, 1994, are: Atlanta, Georgia; Ann Arbor, Michigan; Berkeley, California; Cambridge, Massachusetts; Cambers, North Carolina; East Lansing, Michigan; Ithaca, New York; Laguna Beach, California; Madison, Wisconsin; Minneapolis, Minnesota; New York, New York; Sacramento, California; San Francisco, California; Seattle, Washington; and West Hollywood, California. The only exception to this requirement is if the public nature of the registration would create a hardship for either you or your Spousal Equivalent, in which case a statement as to the nature of the hardship must be submitted to Company's Plan Administrator or designated representative.]

- For a Spousal Equivalent relationship, you cannot file a subsequent Affidavit of Spousal Equivalency for a new Spousal Equivalent until at least six months after a Statement of Disenrollment, Legal Separation, Divorce, Death or Termination of Spousal Equivalency has been filed. To allow for reconciliations of Spousal Equivalents, however, there is no waiting period required for filing a second Affidavit of Spousal Equivalency with respect to a partner as to whom you previously filed both an Affidavit and a Statement of Disenrollment, Legal Separation, Divorce, Death, or Termination of Spousal Equivalency.

## Health Care Enrollment Statement

- A Health Care Enrollment Statement is required if you wish to opt for group health coverage of your Spouse, Common Law Spouse, or Spousal Equivalent on or after \_\_\_\_\_, 19 \_\_\_\_\_.
- Married employees are asked to provide a copy of the marriage certificate.
- Employees with common law marriages are asked to provide documentation that they have entered into a valid common law marriage.
- Employees with Spousal Equivalent relationships are asked to provide the following documentation:
  - Proof that you and your Spousal Equivalent reside together – e.g. driver's licenses or passports showing the same address, mortgage documents or a deed.
  - Proof of financial interdependence – e.g. a joint checking account, credit cards with the same account number in both names, designations of each other as authorized signatories on safe deposit boxes, joint wills, or powers of attorney for health care.
- If you elect to enroll your Spouse, Common Law Spouse or Spousal Equivalent in Company's group health coverage, the Spouse or Spousal Equivalent's eligible dependents, if any, will also receive coverage, if requested. Eligible dependents are defined as:
  - An unmarried child who is dependent upon you for support and who is not employed on a regular, full-time basis. An eligible child may be covered until his/her 19th birthday, or in the case of the child who is a full-time student in an accredited university or college, until his/her 23rd birthday.
  - An unmarried child for whom the employee assumes full parental responsibility and control including any and all debts incurred by the child (i.e., charges for health care services and supplies).
  - When a natural parent lives in the same household, a parent-child relationship will only be considered to exist between the employee and the child when the child is primarily dependent upon the employee for support.
- Coverage of your Spouse, Common Law Spouse or Spousal Equivalent, and eligible dependents, if any, will end, according to the terms of the particular plans) in which they are enrolled, when you file a Statement of Disenrollment, Legal Separation, Divorce, Death or Termination of Spousal Equivalency with the Plan Administrator; when you and your Spouse are legally separated or receive a final decree of divorce; when the criteria for a Spousal Equivalency relationship, listed in the Affidavit of Marriage/Spousal Equivalency, are no longer met; or when your Spouse or Spousal Equivalent dies.

## **Statement of Disenrollment, Legal Separation, Divorce, Death or Termination of Spousal Equivalency**

- If you enrolled your Spouse, Common Law Spouse or Spousal Equivalent in Company's group health coverage, you are obligated to file a Statement of Disenrollment, Legal Separation, Divorce, Death or Termination of Spousal Equivalency with the Plan Administrator within [30] days of the death of your Spouse, Common Law Spouse or Spousal Equivalent.
- In the case of married employees, the Statement must also be filed within [30] days of the date on which you are divorced or legally separated.
- In the case of employees in Spousal Equivalency relationships, the Statement must also be filed within [30] days of the date on which the criteria of a Spousal Equivalency relationship, listed in the Affidavit of Marriage/Spousal Equivalency, are no longer met.
- The Statement may also be filed at any time you wish to disenroll your Spouse, Common Law Spouse or Spousal Equivalent, and eligible dependents, if any, from Company's group health coverage.

AFFIDAVIT OF MARRIAGE/SPOUSAL EQUIVALENCY

I, \_\_\_\_\_, submit this Affidavit of  
(Name of Employee)

Marriage/Spousal Equivalency to establish \_\_\_\_\_  
(Name of Spouse or Spousal Equivalent)

as my Spouse/Spousal Equivalent (as those terms are defined below) for the purpose of any benefits that Company may extend to employees' Spouses or Spousal Equivalents.

I, \_\_\_\_\_, declare and acknowledge as follows:  
(Name of Employee)

For Marriage

I and \_\_\_\_\_ were legally marriage to each other on  
(Name of Spouse)

\_\_\_\_\_ at \_\_\_\_\_ and are now married. For purposes  
(Date of Marriage) (Place of Marriage)

of this affidavit, "Spouse" means the person to whom I am currently lawfully married under the laws of the state in which we reside, and from whom I am neither divorced nor legally separated.

For Common Law Marriage

I and \_\_\_\_\_ have met the criteria for a valid common-law  
(Name of Spouse)

marriage in one of the following states where we both currently reside: Alabama, Colorado, District of Columbia, Georgia, Idaho, Iowa, Kansas, Montana, Oklahoma, Ohio (relationship established before Oct. 10, 1991), Pennsylvania, Rhode Island, South Carolina, Texas and/or Utah.

-OR-

I and \_\_\_\_\_ entered into a valid common-law marriage in one  
(Name of Spouse)

of the states listed above, and now reside in another state which, according to our personal legal advisor, recognizes the validity of such marriages established under the laws of one of the states listed above.

In either case, I further acknowledge that my Spouse and I continue to reside together and that we are neither divorced nor legally separated from each other.

For Spousal Equivalent Relationship

I and \_\_\_\_\_ are Spousal Equivalents. "Spousal  
(Spousal Equivalent's Name)

Equivalents” means two adults [of the same sex] who have chosen to share their lives in an intimate and committed relationship, reside together, and share a mutual obligation of support for the basic necessities of life.

Specifically, I declare and acknowledge that I and my Spousal Equivalent named above meet the following criteria:

- We reside together and intend to do so permanently.
- We are not related by blood to a degree of closeness that would prohibit legal marriage.
- We are mutually responsible for basic living expenses.
- We are both at least the age of consent in the state in which we reside.
- Neither of us is married to anyone else.

[In addition, if we live in a jurisdiction which permits registration of domestic partners, including Spousal Equivalents, I declare and acknowledge that I and my Spousal Equivalent have registered, or will register within the next 31 days, as domestic partners in that jurisdiction. The jurisdictions in which registration of domestic partners is currently permitted, as of October 1, 1994, are: Atlanta, Georgia; Ann Arbor, Michigan; Berkeley, California; Cambridge, Massachusetts; Carrboro, North Carolina; East Lansing, Michigan; Ithaca, New York; Laguna Beach, California; Madison, Wisconsin; Minneapolis, Minnesota; New York, New York; Sacramento, California; San Francisco, California; Seattle, Washington; and West Hollywood, California. I further understand that this requirement may be waived if the non-confidential nature of the registration (which is usually a matter of public record) would create a hardship for me and/or my Spousal Equivalent. To request a waiver of this requirement, a statement regarding the nature of the hardship must be submitted to Company's Plan Administrator or designated representative.]

#### For Marriage/Spousal Equivalent Relationships

I acknowledge that:

- I cannot file another Affidavit of Spousal Equivalency for a new Spousal Equivalent until at least six months after a Statement of Termination of Spousal Equivalency has been filed.
- If health care coverage is requested, I will provide to Company's Plan Administrator or designated representative a completed Health Care Enrollment Statement along with documents establishing the existence of my Marriage/Spousal Equivalency relationship.
- I understand that I would be well advised to consult an attorney regarding the possibility that filing of this Affidavit may have certain legal consequences, including the fact that it may, in the event of termination of the Spousal Equivalent relationship, be regarded as a factor leading a court to treat the relationship as the equivalent of marriage for the purpose of establishing and dividing community property, or for ordering payment of support.

- I have an obligation to file a Statement of Disenrollment, Legal Separation, Divorce, Death or Termination of Spousal Equivalency with Company's Plan Administrator or designated representative within [30] days of the earliest of (a) the death of my Spouse or Spousal Equivalent; (b) the date of legal separation; (c) the date of the divorce decree; or (d) the date on which any of the criteria of a Spousal Equivalency relationship is no longer met. I further understand that the effective date of the end of the Spouse/Spousal Equivalency relationship is the earliest of (a) the death of my Spouse or Spousal Equivalent; (b) the date of legal separation; (c) the date of the divorce decree; or (d) the date on which I file a Statement of Disenrollment, Legal Separation, Divorce, Death or Termination of Spousal Equivalency with Company's Plan Administrator or designated representative.
- I understand that I am responsible for reimbursement of any expenses incurred as a result of any false or misleading statement contained in this Affidavit of Marriage/Spousal Equivalency.

I affirm, under penalty of perjury, that the statements in this Affidavit are true to the best of my knowledge.

DATED: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City, State, Zip Code)

[Please Note: If you wish to enroll your Spouse/Spousal Equivalent for group health coverage, you must complete and return the Health Care Enrollment Statement, along with the documents establishing the existence of the marriage/spousal equivalency relationship, to the Company Plan Administrator or designated representative within 31 of the earliest of: (a) the date of marriage; or (b) the date of filing this Affidavit of Marriage/Spousal Equivalency. If the Health Care Enrollment Statement and the required documents are not filed within this time period, evidence of insurability of the Spouse/Spousal Equivalent and eligible dependents, if any, will be required, unless the Spouse/Spousal Equivalent has lost his or her existing employee health coverage, as defined under the terms of the underlying plan(s), after an Affidavit of Marriage/Spousal Equivalency has been previously filed.]

## HEALTH CARE ENROLLMENT STATEMENT

In order to enroll \_\_\_\_\_, and eligible  
(Name of Spouse or Spousal Equivalent)

dependents, if any, in Company's group health care coverage which, subject to certain limitations, covers Company's employees and their Spouses/Spousal Equivalents, I declare and acknowledge my understanding that:

- The options under the group health coverage currently available to employees who choose to enroll their Spousal Equivalents may be more limited than those available to other employees [(in particular, certain HMOs as of yet have not chosen to extend coverage to Spousal Equivalents)], and that such available options are listed on the attached Exhibit A.
- All group health coverage is governed by the terms of the underlying plan(s) ("Plan").
- I have provided the following documents to Company's Plan Administrator or designated representative:
  - For Marriage:  
A copy of the marriage certificate
  - For Common Law Marriage:  
Documentation that I have established a common law marriage.
  - For Spousal Equivalent Relationships:  
Proof that I and my Spousal Equivalent reside together  
Proof of our financial interdependence
- For Spousal Equivalents, Company has no legal obligation to extend COBRA benefits, but Company has decided to offer limited continuation coverage to Spousal Equivalents as more particularly detailed in the attached Exhibit B.
- Unless my Spousal Equivalent is also considered my dependent for tax purposes under Section 152 of the Internal Revenue Code, the Internal Revenue Service currently treats as imputed income to the employee the value of the health coverage provided Spousal Equivalents and their dependents, if any, less any contribution paid by the employee for this coverage. I have reviewed the examples of imputed income amounts for group health coverage detailed in the attached Exhibit C.
- I have an obligation to file a Statement of Disenrollment, Legal Separation, Divorce, Death or Termination of Spousal Equivalency with Company's Plan Administrator or designated representative within [30] days of the earliest of (a) death of my Spouse or Spousal Equivalent, (b) the date of legal separation, (c) the date of the divorce decree; or (d) the date on which any of the criteria of a Spousal Equivalency relationship is no longer met.
- Regardless of whether the requisite Statement of Disenrollment, Legal Separation, Divorce, Death or Termination of Spousal Equivalency has been filed, the effective date of the end of the Spouse/Spousal Equivalency relationship, and therefor the date on which coverage of my Spouse/Spousal Equivalent and eligible dependents, if any, will end, according to the terms of the Plan, is the earliest of:
  - The date on which my Spouse/Spousal Equivalent dies;
  - The date on which my Spouse and I are legally separated;
  - The date on which my Spouse and I receive a final decree of divorce;
  - The date on which the criteria of Spousal Equivalency are no longer met; or

- The date on which I file a Statement of Disenrollment, Legal Separation, Divorce, Death or Termination of Spousal Equivalency with Company's Plan Administrator or designated representative.

I affirm that the statements in this Statement are true to the best of my knowledge.

DATED: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City, State, Zip Code)

**COMPANY**  
**CONTINUATION OF COVERAGE FOR SPOUSAL EQUIVALENTS**

- Although a Spousal Equivalent (and his or her dependent children) does not have rights to COBRA coverage under existing federal law, COMPANY has decided to offer continued coverage in certain cases. THIS IS NOT COBRA COVERAGE AND, AS SUCH, THE COMPANY RETAINS THE RIGHT TO MODIFY OR TERMINATE THIS CONTINUATION OF COVERAGE BENEFIT AT ANY TIME.
- The “COBRA” rate applicable to the underlying plan (“Plan”) will be charged for the coverage outlined below. This is intended to eliminate any taxable income to the employee with respect to this extension of coverage.
- A Spousal Equivalent (and his or her eligible dependent children) may continue to be covered (or be added to coverage) under the Plan after an employee’s termination of employment, by “piggybacking” on the former employee’s COBRA coverage. The continuation of coverage would last for up to 18 months, or until the expiration of the employee’s COBRA coverage, if earlier. A Spousal Equivalent may not make an independent election of COBRA. Thus, the employee must elect COBRA at the family rate in order to cover the Spousal Equivalent (and his or her eligible dependent children).
- Unlike COBRA, which would provide no coverage, COMPANY will allow a covered Spousal Equivalent (and his or her covered dependent children) to continue coverage for 36 months following the death of the employee, at the COBRA rate applicable to such Plan. Spousal Equivalents and eligible dependent children who are not covered by the Plan at the time of the employee’s death would not be eligible for this continuation. If a former employee died during the COBRA coverage period, this 36 month period of coverage would commence on the date of the former employee’s first qualifying event (e.g., termination of employment).
- Unlike COBRA, which would provide no coverage, COMPANY will allow a covered Spousal Equivalent (and his or her covered dependent children) to continue coverage, at the COBRA rate applicable to such plan, for 36 months from the date of the employee’s first qualifying event (if any), if coverage would otherwise be lost following the Medicare entitlement of the employee. Thus, Spousal Equivalents and eligible dependent children who are not covered by the plan at the time of the employee’s Medicare entitlement would not be eligible for this continuation.
- Unlike COBRA, which would provide no coverage, COMPANY will allow a covered dependent child of a Spousal Equivalent to continue coverage for 36 months, at the COBRA rate applicable to the plan, when he or she would otherwise lose coverage as a result of reaching the age at which he or she cannot be covered as a dependent child under the terms of the underlying plan(s) (“Plan”).
- In no event shall the Spousal Equivalent (and his or her eligible dependent children) be permitted to continue this coverage beyond the date of the termination of the Spousal Equivalent relationship (except in the event of the employee or former employee’s death).
- In no event shall the Spousal Equivalent (and his or her eligible dependent children) be permitted to continue this coverage beyond the date that Spousal Equivalent coverage is terminated with respect to Spousal Equivalents of similarly situated active employees.
- In no event shall the Spousal Equivalent be permitted to continue this coverage beyond the date that the Spousal Equivalent becomes eligible for coverage under Medicare (unless eligibility for Medicare is solely as the result of end-stage renal disease).

- A Spousal Equivalent (and his or her eligible dependent children) who is being provided continued coverage may not change to a different plan at the Annual Transfer Period. That is, if a former employee selects one plan, for example [DIVISION PLAN], then the Spousal Equivalent must choose coverage under the same Plan.
- You are required to notify the Plan Administrator or designated representative upon the occurrence of any event which would result in a lapse of coverage.

**COMPANY**  
**ILLUSTRATION OF PREMIUM CHARGE & INCOME IMPUTATION**  
**RATES PER MONTH AS OF \_\_\_/\_\_\_/\_\_\_**

**HEALTH CARE COVERAGE**

**GROSS PREMIUMS – PAID BY COMPANY**

	<u>SINGLE</u>	<u>FAMILY</u>
MEDICAL	\$XXX.XX	\$XXX.XX
DENTAL	\$XXX.XX	\$XXX.XX
VISION	<u>\$XXX.XX</u>	<u>\$XXX.XX</u>
TOTAL	<u>\$XXX.XX</u>	<u>\$XXX.XX</u>

**CHARGED BY COMPANY TO EMPLOYEES**

	<u>SINGLE</u>	<u>FAMILY</u>
MEDICAL	\$XXX.XX	\$XXX.XX
DENTAL	\$XXX.XX	\$XXX.XX
VISION	<u>\$XXX.XX</u>	<u>\$XXX.XX</u>
TOTAL	<u>\$XXX.XX</u>	<u>\$XXX.XX</u>

**PREMIUM CHARGE FOR SPOUSAL EQUIVALENT (SE)**

FAMILY COVERAGE CHARGE	\$XXX.XX
LESS – SINGLE COVERAGE	<u>\$XXX.XX</u>
ADDITIONAL CHARGE FOR SE	<u>\$XXX.XX</u>

**INCOME IMPUTATION WITH RESPECT TO SE COVERAGE**

COBRA RATE FOR FAMILY COVERAGE	\$XXX.XX
LESS – COBRA RATE FOR SINGLE COVERAGE	\$XXX.XX (Back out “value” attributable to EE)
ADDITIONAL CHARGE FOR SE	<u>\$XXX.XX</u> (Paid on after-tax basis)
INCOME IMPUTED WITH RESPECT TO COVERAGE OF SE	<u>\$XXX.XX</u> (PER MONTH)

PLEASE NOTE THAT THE ABOVE ILLUSTRATION IS AN EXAMPLE ONLY OAS THE IRS HAS NOT ISSUED DEFINITIVE GUIDELINES AS TO HOW TO CALCULATE THE FAIR MARKET VALUE FOR THIS COVERAGE.

**STATEMENT OF DISENROLLMENT, LEGAL SEPARATION, DIVORCE, DEATH  
OR TERMINATION OF SPOUSAL EQUIVALENCY**

I, \_\_\_\_\_, make and file this Statement of  
(Name of Employee)  
Disenrollment, Legal Separation, Divorce, Death or Termination of Spousal Equivalency in order to  
cancel the Affidavit of Marriage/Spousal Equivalency previously filed.

I, \_\_\_\_\_, declare and acknowledge as follows:  
(Name of Employee)

For Marriage (fill in appropriate line)

I wish to cancel, effective immediately, the Health Care Enrollment Statement previously filed with  
respect to \_\_\_\_\_.  
(Name of Spouse)

-OR-

I and \_\_\_\_\_, were legally separated on \_\_\_\_\_  
(Name of Spouse) (Date of Separation)

-OR-

I and \_\_\_\_\_, dissolved our marriage on \_\_\_\_\_  
(Name of Spouse) (Date of Divorce)

-OR-

My Spouse, \_\_\_\_\_, died on \_\_\_\_\_.  
(Name of Spouse) (Date of Death)

For Spousal Equivalent Relationship (fill in appropriate line)

I wish to cancel, effective immediately, the Affidavit of Marriage/Spousal Equivalency previously filed  
with respect to \_\_\_\_\_.  
(Name of Spousal Equivalent)

-OR-

The Spousal Equivalent relationship between me and \_\_\_\_\_  
(Name of Spousal Equivalent)  
ended on \_\_\_\_\_.  
(Date of Termination)

-OR-

My Spousal Equivalent, \_\_\_\_\_, died on \_\_\_\_\_.  
(Name of Spousal Equivalent) (Date of Death)