

# Kodak

DOMESTIC  
PARTNER  
BENEFITS

## Table of Contents

Introduction .....	1
Your Eligibility .....	1
Important Definitions .....	2
Domestic Partner Benefits .....	3
Affidavit of Domestic Partnership .....	4
Change in Status Elections .....	5
If Your Domestic Partner is a Kodak Employee .....	5
Common Law Marriage .....	5
The Effect on Your Pay .....	6
Legal Tax Dependents .....	7
If Your Relationship Ends .....	7
If Your Domestic Partner Dies .....	8
Continuation of Coverage .....	8
If You Retire .....	8
If You Go on LTD .....	8
How to Enroll .....	9
For More Information .....	9

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This brochure is distributed upon request. Your eligibility for any Kodak plan is not established merely by your receiving this brochure, nor is your domestic partner's eligibility parallel to that of a legal spouse merely by filing an Affidavit of Domestic Partnership.

The information in this brochure modifies existing descriptions of a number of the company's employee benefit plans. It does not, however, contain the complete text of the plan document for each plan. The plan document, not this brochure, serves as the final authority in all matters relating to plan interpretation and controls over any error, omission or ambiguity contained in this brochure. Any benefit plan may be modified or terminated by Kodak for any reason.

The information in this brochure is not intended as advice on the tax rules and other legal issues. Because there may be other implications to signing an Affidavit of Domestic Partnership, you are urged to seek appropriate advice before signing it.

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# Kodak Domestic Partner Benefits

## Introduction

Kodak is proud to offer you the opportunity to provide benefits to your domestic partner by offering diverse benefit policies. By offering diverse benefit policies, we address several company-wide concerns and move forward in a direction that:

- Creates a workplace where all employees are valued, respected and given equal and fair treatment;
- Promotes equal opportunity and nondiscrimination practices related to gay, lesbian and unmarried couples; and
- Helps attract and retain talented people.

You now have the ability to extend benefits to the significant person in your life, and his or her dependent children. It's up to you to identify the members of your family as defined on page 2.

**An Important Note:** The IRS says that the value of some company-paid benefits for unmarried partners are taxable, even though the same benefits for married partners are not. It's important that you understand the tax implications of covering a domestic partner and/or his or her children. We recommend that you consult your own tax advisor to determine how they affect you. Please pay close attention to **The Effect on Your Pay** on page 6.

## Your Eligibility

You are eligible for domestic partner benefits if you are covered under Kodak's U.S. benefit plans.

College cooperative interns and special program employees (i.e., employees not eligible for the Advantage flexible benefits program) may enroll a domestic partner in health care.

Employees who retire or become an LTD recipient after January 1, 1997 will also be able to cover a domestic partner for health care and dental benefits.

If married by common law, you have a "spouse" rather than a "domestic partner" so you can enroll him or her through the regular enrollment process. (**See Common Law Marriage** on page 5 for more details.)

**An Important Note:** Special eligibility rules may apply to individuals in Company Group 18 (International). Nothing stated in this brochure expands your eligibility as an employee, retiree or LTD recipient for any benefit. For example, if you do not complete five years of service as defined in the Kodak Retirement Income Plan, then your domestic partner would not be entitled to the pre-retirement survivor income benefit upon your death. Eligibility for each benefit is governed by the terms and conditions set forth in the applicable plan document.

Here's a chart that shows which domestic partner benefits are available to each category of employee:

Employee Categories	Benefits					
	Health Care	Dental	Dependent Accidental Death Insurance	Dependent Life	Long-Term Care*	Pre-Retirement SIB**
Flex Plan Employee	X	X	X	X	X	X
Special Program Employee						X
College Cooperative Intern	X					X
Retiree after 1-1-97						
Becomes LTD Recipient after 1-1-97	X	X		X***		X

\*If available in your state.

\*\*If vested with five or more years of service.

\*\*\*If in effect immediately prior to LTD date.

## Important Definitions

To help you understand domestic partner benefits, it's important for you to know the following terms and definitions as they are used in this brochure.

### Domestic Partners

Kodak defines same or opposite sex domestic partners as two people in a spouse-like relationship who have met all of the following requirements for at least the last 12 months:

- Intend to remain each other's domestic partner indefinitely;
- Reside together in the same permanent residence;
- Are emotionally committed to one another and are jointly responsible for the common welfare and financial obligations of the household, or the domestic partner is chiefly dependent upon the employee for care and financial assistance;
- Are not legally married to anyone else and are not the domestic partner of anyone else;
- Are not related by blood closer than would bar marriage under applicable law; and
- Are both at least 18 years of age and mentally competent to enter into a legal contract.

### Eligible Dependents of Your Domestic Partner

You may also cover the children of your domestic partner if they meet Kodak's definition of an eligible dependent. Eligible dependents include your natural, adopted, step and foster children and the children of your domestic partner as long as they meet all of the following criteria:

- Unmarried;
- Receive more than 50% of their support from you;
- Live in your household as their principal place of residence (unless they live at school, or live elsewhere as the result of divorce or separation);
- Not employed on a full-time basis, except on school vacations; and
- Under age 19 (or under age 23 while a full-time student).

### Legal Tax Dependents

Section 152 of the Internal Revenue Code says your domestic partner and/or his or her children can be claimed as your legal dependents when you file your tax return for any year in which they meet all the following criteria for the entire calendar year:

- Citizens, nationals or residents of the U.S.;
- Live with you and is a member of your household;
- In a relationship with you that does not violate local laws; and
- Receive over half of their support from you.

See **Legal Tax Dependents** on page 7.

### Affidavit

An affidavit is a sworn statement in writing, made before a notary public.

### Additional Taxable Income

Under current law, the value of providing health care, dental and dependent accidental death insurance to a domestic partner and his or her children is considered taxable income to you. This means you'll pay federal, FICA, state, local, and other applicable payroll taxes on an additional amount (which will be shown on your paychecks) throughout the year and it will be included on your W-2 Form at the end of each year. The calculation of this additional taxable income is described on page 6. However, this additional taxable income is not included when calculating benefits or contributions under any plan based on compensation (e.g., KRIP, SIP, Wage Dividend, life insurance and LTD).

## Domestic Partner Benefits

Though generally the same, integrating domestic partners into our existing benefit plans requires some distinctions. The chart below shows you what's the same and what's a little different.

<b>Health Care</b>	Most health care plans available through Kodak will enroll domestic partners. See the enclosed chart, <b>Taxable Income By Plan</b> . Some options usually available in your area may appear on the list as NOT AVAILABLE. This is because some HMOs and State Insurance Commissioners have not agreed to make this coverage available to domestic partners.
<b>Dental</b>	Dental enrollment is available every other year.
<b>Health Care Reimbursement Account (HCRA)</b>	Under current law, HCRA reimbursements cannot be made for your domestic partner's expenses, or those of his or her children, if not your legal tax dependents. The Automatic Claims Transfer (ACT) function will not apply for claims of your domestic partner or his/her children.
<b>Dependent Care Reimbursement Account (DCRA)</b>	Under current law, DCRA reimbursements cannot be made for your domestic partner's expenses, or those of his or her children, if not your legal tax dependents.
<b>Dependent Life Insurance</b>	You can insure the life of your domestic partner and his or her children using the spouse and child options available to all employees. If you elect coverage for your domestic partner equal to or greater than \$50,000, proof of good health is required. Proof of good health is not required for your domestic partner's children.
<b>Dependent Accidental Death Insurance</b>	You can insure the life of your domestic partner and his or her children in case of accidental death or dismemberment. Proof of good health is not required to enroll.
<b>Long-Term Care Insurance</b>	Benefits for long-term nursing or custodial care are available. Coverage is available in New York State and in most other states. Call MetLife at 1-800-972-1169 for information on where coverage is available. At this time, you may not cover your domestic partner's parents in any state. Children are not eligible for long-term care insurance.
<b>Pre-retirement Survivor Income Benefit</b>	This benefit provides an income payable to your domestic partner for life if you die after becoming vested under KRIP and before you retire or terminate from Kodak unless otherwise provided in a Qualified Domestic Relations Order.
<b>Adoption Assistance</b>	Up to \$2,000 is provided to cover specific expenses incurred in adopting a child under the age of 19. This amount is not available when adopting the natural child of a domestic partner or other household member. (Just as it's not available when a married employee adopts his or her stepchild.) A \$2,000 limit per child applies even if both you and your domestic partner are Kodak employees.
<b>Wage Dividend</b>	If you die before a Wage Dividend is paid, it may be payable to your domestic partner under the terms of that year's Wage Dividend rules.
<b>Funeral Allowance</b>	A funeral allowance can be provided when you are absent from work due to the death of your domestic partner or a member of your domestic partner's immediate family.
<b>Family &amp; Medical Leave</b>	This unpaid leave may be used for absence due to your household member's serious health condition or for birth or adoption.

*Continued on page 4*

## Domestic Partner Benefits *continued*

<b>Partner Relocation Assistance</b>	If you are being relocated by the company, assistance is available to help your domestic partner find employment opportunities in your destination city. This includes reimbursement for qualifying expenses such as career planning, resources for job search and resume production.
<b>LifeWorks Resource &amp; Referral</b>	This service provides you and your domestic partner with practical advice from a counselor; useful materials; guidance on regulatory, financial and insurance issues; and customized referrals to deal with the questions, pressures, and issues you and your family face trying to balance work, family, and personal responsibilities. (Includes adoption, child care, school-age issues, education planning, elder care, and caring for oneself.)
<b>Emergency/Backup Dependent Care</b>	Provides up to 40 hours per year of company subsidized care in your home for your dependent household member in case of an emergency.
<b>Beneficiary for Death Benefits</b>	You can name your domestic partner, or anyone you wish, to receive benefits from your life insurance upon your death. Your domestic partner may also be named as your beneficiary for SIP and KESOP (unless otherwise provided in a Qualified Domestic Relations Order).
<b>Pension Joint &amp; Survivor Beneficiary</b>	Under the Kodak Retirement Income Plan, the joint and survivor payment option allows you to elect to receive reduced monthly payments for your lifetime in order to provide a survivor benefit for your designated beneficiary. You may name any person including your domestic partner as your beneficiary (unless otherwise provided in a Qualified Domestic Relations Order). If your beneficiary outlives you, he or she will receive monthly benefit payments of 25%, 50%, 75% or 100% (whichever you previously elected) of the amount you had been receiving, for the remainder of his or her lifetime. The greater the amount you elect for your beneficiary, the less you will receive while you are still living.
<b>Employee Assistance Program (EAP)</b>	This program includes confidential assessment, consultation, referral and follow-up to help you and your domestic partner identify resources to resolve serious personal problems including legal, financial, divorce/separation, domestic violence, and alcohol or drug dependency.
<b>Affidavit of Domestic Partnership</b>	<p>By signing an Affidavit of Domestic Partnership before a notary public, you and your domestic partner attest to a series of statements that establish your relationship and accept agreed terms.</p> <p><b>What It Does...</b></p> <ul style="list-style-type: none"><li>• Makes you eligible to enroll your domestic partner and your partner's children for benefits;</li><li>• Names your domestic partner or your partner's children as your survivors, making them eligible to receive certain benefits upon your death; and</li><li>• May make your domestic partner or your partner's children eligible for Pre-retirement Survivor Income Benefits.</li></ul>
	<p><b>What It Doesn't Do...</b></p> <ul style="list-style-type: none"><li>• Automatically enroll your domestic partner in benefits; nor</li><li>• Automatically name your domestic partner as beneficiary of your life insurance plans, Savings and Investment Plan (SIP), Employee Stock Ownership Plan (KESOP), or Joint and Survivor option under the Kodak Retirement Income Plan.</li></ul> <p>After carefully reading the enclosed <b>Affidavit of Domestic Partnership</b>, you and your domestic partner will need to provide the information requested on the form and sign it in the presence of a notary public. Send the notarized original to Benefits Administration in the envelope provided. You'll receive a copy back stamped "RECEIVED AND FILED BY EASTMAN KODAK COMPANY." <b>Your Affidavit of Domestic Partnership</b> is valid until you tell us otherwise.</p>

*An Affidavit of Domestic Partnership and benefit coverage have led some courts to recognize non-marriage relationships as the equivalent of marriage when establishing and dividing joint property. And since there may be other implications to signing this document, you are urged to seek appropriate advice before signing it.*

**Even if you do not want to enroll your domestic partner for health care, dental or other flexible benefits, you must have an Affidavit of Domestic Partnership on file if you wish your domestic partner to be eligible for the Pre-retirement Survivor Income Benefit (described on page 3) should you die before retiring or otherwise terminating from Kodak and are vested at the time of your death. Your domestic partner will not be able to make a claim for this benefit following your death if the affidavit is not on file at the time of your death.**

## Change in Status Elections

### Who's Your Current Beneficiary?

Perhaps you've previously named your partner as the beneficiary of your life insurance, accidental death insurance, occupational accidental death insurance, Savings and Investment Plan (SIP) and Employee Stock Ownership Plan (KESOP). If so, he or she is listed as your "non-relative." We also have a "domestic partner" category, so let us know if you'd like us to change it -filing an **Affidavit of Domestic Partnership** does not automatically do so. Call Benefits Information at 724-1000, Knet 224-1000 or 1-800-221-6543.

You may change your elections under some benefit plans during the year if you have a change in status and the benefit change you are requesting is consistent with that change. Examples of changes in status include:

- Signing and filing an Affidavit of Domestic Partnership;
- Ending your domestic partnership by filing a Statement of Termination of Domestic Partnership;
- Birth or adoption of a child (yours and/or your partner's);
- A child losing dependent status;
- Your domestic partner gaining or losing his or her job or health care coverage;
- Legal marriage.

Be sure to call Benefits Information *within 30 days* following any change in status. Otherwise, you are not able to make any changes for the rest of the year.

## If Your Domestic Partner is a Kodak Employee

If your domestic partner also works for Kodak, you cannot be covered at the same time as both an employee and dependent under health care and dental. And the same applies to your domestic partner.

For covering yourself, you have three choices:

- You can enroll as an employee and cover your domestic partner as a dependent. (Your domestic partner must then drop his/her Kodak coverage.)
- You can be covered as a dependent under your domestic partner's coverage. (You must then drop your own Kodak coverage.)
- You can each elect single coverage in your respective Kodak plans.

Either you or your domestic partner may cover any eligible children, but you may not both cover the same children.

**Because of the special tax rules (see page 6), it may be less expensive for you to enroll separately in your respective Kodak health care and dental plans. To help you make your calculations, there's a worksheet provided in the back pocket of this brochure.**

**If your partner also works at Kodak, you should each consider having an Affidavit of Domestic Partnership on file to be eligible to receive the other's Pre-retirement Survivor Income Benefit – even if you elect to enroll separately in plans such as health care and dental.**

## Common Law Marriage

State common law marriage statutes may give legal spouse status to some opposite-sex domestic partners. If married by common law, you have a "spouse" rather than a "domestic partner," so you can enroll him or her through the regular enrollment process.

There are some states, districts and territories that recognize common law marriages entered into in their own jurisdiction, some that recognize common law marriages entered into in other jurisdictions, and some that do not recognize common law marriages at all. You may want to verify your marital status with an enrollment process.

## The Effect on Your Pay

Kodak's share of the cost of covering a domestic partner and his or her children is the same as for a spouse and children. For your share, don't just look at the cost of single, two person or family coverage found in your Annual Benefits Enrollment Package. You'll pay more in taxes for covering a domestic partner and his or her children in health care, dental and dependent accidental death insurance than you would for covering a spouse and your own children. So, be sure to factor in the additional taxes when calculating your total cost.

The Internal Revenue Code does not tax the money spent on health care, dental and dependent accidental death insurance for employees and employees' spouse and children. But they do tax the money spent on those same benefits for domestic partners and domestic partners' dependents. This means that the full cost of coverage (both your portion and Kodak's) for your domestic partner and his/her children is added to your income and subject to ordinary federal, FICA, state, local and any other applicable payroll taxes.

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### An Exception to the Rule

If your domestic partner and/or his or her children qualify as your **legal tax dependents**, the IRS does not tax the money spent on their health care, dental and dependent accidental death insurance. See the definition of **legal tax dependents** on page 2 and the section on page 7.

### For Retirees and LTD Recipients

You'll pay taxes on the portion Kodak pays for your domestic partner's health care and dental coverage. The portion you pay, if any, is already taxed.

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## Single Coverage

The chart below shows that a single employee pays \$20 and the Company pays \$50 toward the total health care cost of \$70 paid to the carrier. The IRS doesn't tax this amount, so a single employee pays only \$20 on a pre-tax basis.

### Two-Person Coverage

Suppose an employee signs up a domestic partner, increasing the level of coverage to two-person. The employee pays \$50 and the Company pays \$95 toward the total health care cost of covering the employee (\$70 from the example in the chart below), but does tax the cost of covering the domestic partner (\$145 - \$70 = \$75). The employee pays taxes as if the base pay were actually \$75 more. The employee's pay stub (and W-2 Form) will show the cost of the domestic partner's coverage as additional taxable income.

### Family Coverage

When an employee enrolls a domestic partner and chooses family coverage, additional income is reflected and taxes are withheld from each paycheck for the cost of covering the domestic partner and **any** children (whether they are the employee's or the domestic partner's) in each paycheck. The cost of single coverage is subtracted from the cost of family coverage (\$175 - \$70 = \$105) and the employee is taxed on the difference.

But, if all covered children are the employee's legal tax dependents, if requested, a year-end adjustment will be made by the company so the W-2 does not reflect the additional taxable income associated with their coverage (see Legal Tax Dependent section). In the end, the employee only pays taxes on the cost of covering a domestic partner (\$75), if not a legal tax dependent.

Here's a chart to illustrate the calculation of additional taxable income. The numbers on the chart are for illustrative purpose only.

	<b>Your Biweekly Contributions</b>		
	<b>Single</b>	<b>2-Person</b>	<b>Family</b>
	<b>\$20</b>	<b>\$50</b>	<b>\$75</b>
<b>Kodak's Biweekly Contributions</b>			
<b>Family: \$100</b>			Total paid to carrier: <b>\$175</b>
<b>2-Person: \$95</b>		Total paid to carrier: <b>\$145</b>	
<b>Single: \$50</b>	Total paid to carrier: <b>\$70</b>		
Less the total paid to carrier for your (single) coverage...	<b>-\$70</b>	<b>-\$70</b>	<b>-\$70</b>
You pay taxes on ...	<b>\$0</b>	<b>\$75</b>	<b>\$105</b>



If any covered children are the domestic partner's children, no year-end adjustment will be made, unless all are legal tax dependents of the employee.

### Other Scenarios

- An employee may enroll his or her domestic partner's child(ren) for coverage, without enrolling the domestic partner. In this case, the cost of the employee's coverage is subtracted from the cost of two-person coverage (if one child) or family coverage (if more than one child), unless they are legal tax dependents of the employee.
- For survivors of a deceased employee, the full amount of the Company's contributions for their coverage is taxable income.
- Retirees will pay taxes on the portion Kodak pays for domestic partner health care and dental coverage.

**More specific examples, using health care costs, can be found on pages 11 and 12.**

When comparing the total cost of coverage (your contributions plus additional taxes), domestic partner benefits may not be for everyone. It may be less expensive for your partner to keep the coverage offered by his or her own employer, if available. (However, you may want to consider filing an **Affidavit of Domestic Partnership** for other benefits, like Pre-retirement Survivor Income Benefit, and for other reasons.)

If other group coverage is not available to your partner, you probably won't find a more cost-effective alternative to an individual policy - additional taxes and all. To help you compare which is less expensive, use the worksheet in the back pocket of this brochure.

See the enclosed chart, **Taxable Income By Plan**, to see those plans that offer coverage to domestic partners and their dependents at this time. It includes the amount of additional biweekly income on which you'll pay taxes for each option. If an option on the list is shown as NOT AVAILABLE, but is typically available in your area, it's not an oversight. Some State Insurance Commissioners and HMOs have not yet agreed to make this coverage available to domestic partners.

### Legal Tax Dependents

As you now know, the full cost of coverage for you domestic partner and/or his or her covered children will be added to your income and subject to ordinary federal, FICA, state, local and other applicable payroll taxes throughout the year. However, if any of these covered individuals are your legal

tax dependents (see the definition on page 2), the IRS does not require you to pay taxes on either the company's or your own contributions for health care, dental and dependent accidental death insurance coverages. To remedy this, toward the end of the year you may request that an adjustment be made so your W-2 Form doesn't reflect the additional taxable income for that tax year. If, as a result of the additional taxable income, you have overpaid your taxes, you may be eligible for a refund when you file your federal and state income taxes. FICA and other wage taxes will automatically be adjusted in your December pay.

If you will be claiming your domestic partner and/or his or her children as legal tax dependents on that year's tax return, you will need to complete an **Affidavit of Legal Tax Dependency**. It is your responsibility to call Benefits Information in October of every year to request that an affidavit be sent to you. You must complete and return the form by November 20 of each year if your domestic partner and/or his or her covered children meet all criteria as your legal tax dependent for that entire calendar year.

### If Your Relationship Ends

Should your relationship with your domestic partner end, or you no longer meet all the requirements (for example, you no longer live together), you are no longer considered to be domestic partners and your former domestic partner is no longer eligible for Kodak benefits.

You must complete and submit a **Statement of Termination of Domestic Partnership**. This form will revoke your **Affidavit of Domestic Partnership**. You will receive confirmation that your affidavit has been revoked. You will have 30 days from the date you signed the **Statement of Termination of Domestic Partnership** to contact Benefits Information and make changes to your coverage.

Remember, you may also wish to change the beneficiary designated to receive your life insurances, Savings and Investment Plan and Employee Stock Ownership Plan.

Your domestic partner and his or her children may be eligible for continuation of coverage for certain benefits (see **Continuation of Coverage** on page 8).

Before you can file another Affidavit of Domestic Partnership with the same or different partner, you must once again meet all requirements for at least 12 consecutive months.

**If Your Domestic Partner Dies**

If your domestic partner or your partner's covered child dies, please notify Benefits Information within 30 days.

**Continuation of Coverage**

Although a domestic partner and his or her dependent children do not have rights to COBRA coverage under existing federal law, Kodak offers continuation of coverage in certain cases.

Your domestic partner and his or her covered dependents will be eligible to pay for continuation of coverage if they lose their benefits under certain circumstances (see the chart below) or your relationship ends. Continuation of coverage applies to health care, dental, employee assistance program participation and long-term care coverage.

Continuation of coverage is available for a maximum of 18, 29 or 36 months, depending on the circumstances shown in the chart below.

You must notify Benefits Information within 60 days of the event so that continuation of coverage information can be mailed to you if your domestic partner or covered children lose coverage due to the end of your relationship or loss of dependent child status under Kodak's plans.

Continuation of coverage participants must pay monthly contributions for their coverage.

On the full group rate (employee + company portion) plus 2% for administrative costs.

Continuation of coverage generally follows the same rules as **COBRA** as outlined in the *You and Kodak Benefits Handbook*.

**If You Retire**

If you retire from Kodak on or after February 1, 1997 and are then eligible for retiree health care and dental benefits, you will be able to cover your domestic partner and his or her eligible children for those benefits.

Retirement income benefits under KRIP may be payable to your domestic partner should you die before him or her, provided:

- you have an **Affidavit of Domestic Partnership** on file at Kodak at the time of your death, and
- you elect a Joint & Survivor payment option and name your domestic partner as beneficiary, unless otherwise provided in a Qualified Domestic Relations Order.

**If You Go on LTD**

If you go on LTD on or after February 1, 1997, you will be able to cover your domestic partner and his or her eligible children for health care and dental benefits. Also, if you had dependent life insurance in effect for your domestic partner and/or partner's children immediately prior to going on LTD, you may continue the dependent life insurance coverage while you are receiving LTD benefits.

Circumstance	Continuation Period		
	Maximum Continuation Period		
	Employee	Domestic Partner	Employee's/Domestic Partner's Child
Employee terminates employment for any reason (except gross misconduct)	18 months	18 months	18 months
Employee or any covered family member is disabled (as defined by Title II or XVI of the Social Security Act) at the time of the qualifying event	29 months	29 months	29 months
Employee dies	N/A	36 months	36 months
Domestic partnership ends	N/A	36 months	36 months
Disabled employee becomes entitled to Medicare which causes dependents to lose coverage	N/A	36 months	36 months
Child no longer qualifies as dependent under Kodak's plan	N/A	N/A	36 months

## How to Enroll

### During Annual Enrollment

To enroll your domestic partner and your domestic partner's eligible children for benefits, you must:

1. Complete an **Affidavit of Domestic Partnership** (enclosed). Use the return envelope provided. Allow five business days to process your affidavit.
2. Choose the coverage you want for the following year from your annual enrollment package.
3. Call the AdvantageLine. Enrolling through the voice response system by selecting options with the telephone key pad does **not** enroll your domestic part

*"Our records indicate that you have a domestic partner affidavit on file. If you wish to elect domestic partner coverage in any plan, press 1 to speak with a representative, otherwise press 2 to continue."*

If you don't hear this message, your **Affidavit of Domestic Partnership** is not yet on file. Once received by Benefits Administration, it may take up to five business days to process.

4. You will receive a confirmation statement and health care application, if applicable, within two weeks. Complete and mail the application back to the carrier. Be sure to check the confirmation statement to ensure your elections have been made as you requested. Benefits you've elected for your domestic partner will be identified with a "DP" following the plan name.

The choices you make will be in effect through the end of the year (except for dental which is a two year election) unless you make a change in status during election.

### During the Year

You may file an Affidavit of Domestic Partnership when you become eligible any time during the year. You must enroll for domestic partner benefits within 30 days of the date you sign the affidavit. Otherwise, you will have to wait until the next annual enrollment. Call Benefits Information and enroll by speaking with a representative. You will receive a confirmation statement and health care application, if applicable, within two weeks. Complete and mail the application back to the carrier. The choices you make will be in

## For More Information

If you have questions about any of your benefits after reading this brochure, you can get more information from:

- Benefits Information (x41000, Knet 224-1000 or 1-800-221-6543)
- *You and Kodak Benefits Handbook and Updates*
- Your Annual Benefits Enrollment Package
- Garners for specific plan information  
*You and Kodak News - Compensation and Benefits Newsletter*
- *Profs Newsletter* – type "benefit" at command line.

## Questions & Answers

### Q1. I had family coverage before I added my domestic partner, so why do I have to pay additional taxes?

We are applying these tax rules even if you had coverage at the family level before adding a domestic partner and/or his or her children. We don't believe we have the authority to treat this as non-taxable because the IRS has not specifically ruled on this point. However, the opinion of an IRS representative, when questioned by our legal counsel, was that this situation would result in taxable income.

### Q2. I don't want the people I work with to know I'm enrolling a domestic partner.

Information regarding domestic partners will be maintained in accordance with Kodak's policy regarding privacy of personal information. Human Resources cannot guarantee a greater level of security or confidentiality than is provided other employee data. Access to this information will be given only to those whose jobs require it. Lists or reports will not be generated using your name, but records must be maintained for tax purposes. Outside of Kodak, insurance carriers will need information on your domestic partner and the doctors your domestic partner sees will have their own records naming you as the provider of coverage.

### Q3. What is my domestic partner entitled to when I die?

*If you die after becoming vested under KRIP and before you retire or terminate from Kodak, a pre-retirement survivor income benefit is payable to your domestic partner if you have a valid affidavit on file (unless otherwise provided in a Qualified Domestic Relations Order). Your domestic partner may also be eligible for continued health care and dental coverage as your survivor.*

If you die after you retire, and you elected Joint and Survivor option with your domestic partner as your named beneficiary, your domestic partner will receive monthly benefit payments for the remainder of his or her life under the Kodak Retirement Income Plan (unless otherwise provided in a Qualified Domestic Relations Order).

**Q4. Why isn't Long-Term Care available in my state?**

The insurance carrier has not yet received approval from the insurance commission in every state in which they filed for domestic partner coverage. For up to date information, please contact MetLife at 1-800-972-1169.

**Q5. Why can't the parents of my domestic partner be covered under Long-Term Care?**

It's not offered by our insurance carrier at this time.

**Q6. Why doesn't the additional taxable income from domestic partner coverage count for benefits such as retirement income, SIP contributions, wage dividend and IASR calculation?**

This additional taxable income is not "earnings." It merely represents the value of benefits provided for an individual(s) who is not your legal tax dependent.

**Q7. Why is there additional taxable income on the portion of the health care and dental contribution I pay? And since I pay the entire premium for dependent accidental death insurance, why is that taxed?**

Your health care, dental and dependent accidental death insurance contributions are taken from your pay pre-tax. However, pre-tax contributions are not allowed by the IRS for domestic partner benefits. Therefore, we are required to add taxable income to your W-2, as your own contribution for these benefits becomes taxable in addition to the Company's

**Q8. If I know my domestic partner will be my legal tax dependent, why must Kodak add income during the year and then make a year-end adjustment?**

Because a legal tax dependent who is your domestic partner must have met the criteria stated on page 2 for the entire calendar year, you would have no way of accurately determining who is and who isn't your legal tax dependent at the beginning of the year.

**Q9. As a retiree (or LTD recipient), how is my additional taxable income reported and how are taxes paid?**

The additional taxable income will be reported on a W-2. If there are sufficient federal taxes, it will be used to satisfy the FICA/Medicare taxes on the additional taxable income. If there are not sufficient federal taxes, a personal check would be requested to satisfy FICA/Medicare taxes. Federal and State income would reflect the additional taxable income; however tax liability would be satisfied when personal returns are filed.

**Q10. Can I file a claim for my domestic partner's (or his/her children's) out of pocket expenses on my HCRA?**

Under current law, HCRA reimbursements may not be made for your domestic partner's expenses or those of his/her children if not your legal tax dependents. (See page 2 and page 2 and page 7 – Legal Tax Dependents)

The following illustration shows how domestic partner benefits will be displayed on your paystub:

EASTMAN KODAK COMPANY- ROCHESTER, N.Y. 14650			STATEMENT OF EARNINGS AND DEDUCTIONS					
EARNINGS	HOURS	AMOUNT	SOCIAL SECURITY NUMBER 100-00-0000		DEDUCT	AMOUNT	YEAR-TO-DATE	
			DEDUCTION	AMOUNT				
REGULAR	16.00	280.00	FICA	-88.64			FICA GROSS	14979.17
VACATION	16.00	280.00	FICAMD	-20.73			FICAMD	14979.17
HOLIDAY	16.00	280.00	FED TX	-351.61			GROSS	14918.71
ABSENCE	32.00	560.00	SHOES	-3.00			SIP	60.46
			TOOLS	-2.00			FICA TAX	928.71
			OLI	-5.00			FICA MD TAX	217.20
			VAC AD	-25.00			FED TAX	2706.41
			PARKING	-0.35			STATE TAX	569.77
			CRD UN	-5.00			LOCAL TAX	107.99
GROSS PAY	80.00	1400.00					EXEMPTIONS & MARITAL STATUS	
HEALTH		-54.00					FED 02 N	STATE 02 N
SIP 5.0%		-70.00						
DP INCOME		83.67						
			NET PAY 774.67					
FOR CUSTOMER SUPPORT CALL 724-6200 OR 1-800-848-8622 OR KNET 224-6200								
W-2 FED GROSS		1359.67						

### Examples of Additional Taxable Income

The following examples will show how domestic partner benefits impact pay:

#### Example #1: Jim enrolls his Domestic Partner

**Assume:**

- Jim earns \$1,400 biweekly.
- The biweekly costs for Jim's health care plan are as follows:

	Contribution		Kodak's Contribution		Total Cost of Coverage
Single	\$20.31	+	\$44.04	=	\$64.35
Two-Person	\$54.00	+	\$94.02	=	\$148.02
Family	\$74.31	+	\$96.23	=	\$170.54

Jim's biweekly contribution for two-person coverage of \$54 will be deducted from his pay on a pre-tax basis. He must also pay taxes on the total cost of his domestic partner's coverage:

\$148.02 (the total cost of two-person coverage)  
 - 64.35 (less the total cost of Jim's single coverage)

\$83.67 (additional taxable income or DP INCOME)

The calculation indicates that for two-person coverage, Jim will pay additional taxes as if his gross pay were \$83.67 higher.

**Refer to the Taxable Income By Plan chart provided in this package and find the health care options in your area to see what your additional taxable income will be.**

The left side of Jim's pay stub will look like this:

GROSS PAY	\$1400.00
HEALTH	-54.00
SIP 5.0%	-70.00
DP INCOME	83.67
<b>W-2 FED GROSS</b>	<b>\$1359.67</b>

Jim pays taxes on this figure. Once FICA, federal, state, local and any other applicable payroll taxes are deducted, DP INCOME is subtracted. The sum is NET PAY.

**Example #2: Jim enrolls his own children and his domestic partner**

(Uses assumptions from example 1 on page 11.)

The left side of Jim's pay stub will look like this:

Jim's biweekly contribution for family coverage of \$74.31 will be deducted from his pay on a pre-tax basis. He must also pay taxes on the total cost of coverage for his children and his domestic partner.

GROSS PAY	\$1400.00
HEALTH	-74.31
SIP 5.0%	-70.00
DP INCOME	106.19

\$170.54 (the total cost of family coverage)  
 - 64.35 (less the total cost of Jim's single coverage)

W-2 FED GROSS \$1361.88



\$106.19 (additional taxable income or DP INCOME)

Jim pays taxes on this figure. Once FICA, federal, state, local and any other applicable payroll taxes are deducted, DP INCOME is subtracted. The sum is NET PAY.

The calculation indicates that for two-person coverage, Jim will pay additional taxes as if his gross pay were \$83.67 higher.

**Refer to the Taxable Income By Plan chart provided in this package and find the health care options in your area to see what your additional taxable income will be.**

If any covered children are Jim's dependents, he will file an Affidavit of Legal Tax Dependency toward year end. The additional taxable income adjustments will be made in the remaining pay periods for the year.

**Example #3: Doris enrolls his domestic partner**

**Assume:**

- Doris is retired.
- The monthly costs for the health care plan she elected are as follows:

	Employee's Contribution		Kodak's Contribution		Total Cost of Coverage
Single	\$44.00	+	\$95.43	=	\$139.43
Two-Person	\$117.00	+	\$203.71	=	\$320.71
Family	\$161.31	+	\$208.51	=	\$369.51

Doris writes a monthly check to Kodak in the amount of \$117 for two-person coverage. She has already paid taxes on that money. But Doris must also pay taxes on Kodak's contributions toward the cost of her domestic partner's coverage.

Doris will receive a W-2 or 1099 (depending on when she retired) that shows the amount on which she must pay taxes for that year (\$108.28 x 12 months = \$1,299.36).

\$ 203.71 (Kodak's contribution)  
 - 95.43 (less Kodak's cost for Doris' single coverage)

\$108.28 (additional taxable income or DP INCOME)

**You can see from these examples that the tax implications can be complicated and confusing. Therefore, if you need help in understanding this, you should contact a tax advisor.**

## COMPARING COST OF COVERAGE IF YOUR DOMESTIC PARTNER IS A KODAK EMPLOYEE

Use this worksheet to calculate the cost of covering a domestic partner under your two-person or family coverage with the cost of electing single coverage individually. This worksheet can be used for either health care and/or dental. You can find biweekly cost in your Annual Personalized Benefits Information Guide or new hire package.

### If You Both Take Kodak Coverage:

Annual cost* of your coverage	\$ _____
Annual cost* of your partner's coverage	+ \$ _____
Net cost of health care or dental coverage for couple	= \$ _____ [A]

### If One of You Covers the Other as a Domestic Partner:

Annual additional taxable income on coverage (biweekly amount from the "taxable Income By Plan" chart multiplied by 26)	\$ _____
Your combined federal, state, city, and FICA tax rate**	x _____ %
Cost of additional taxes	= \$ _____
Annual cost* of coverage (two-person or family coverage category)	+ \$ _____
Net cost of health care or dental coverage for couple including taxes	= \$ _____ [B]
Difference in costs [A-B]	= \$ _____ [C]

**[C] tells you which is the most costly approach. If [C] is positive, this is the estimated amount you will save annually by covering your Kodak-employed domestic partner. If [C] is negative, this is the estimated additional amount it will cost you annually.**

*\*Annual cost = your biweekly cost (found in your Annual Personalized Benefits Information Guide or new hire package) multiplied by 26.*

*\*\* You can use your last year's tax returns to estimate your tax rate. If your income has changed significantly since your last return, you should contact a tax advisor.*

## COMPARING COST OF COVERAGE IF YOUR DOMESTIC PARTNER IS A KODAK EMPLOYEE

Use this worksheet to calculate the cost of covering a domestic partner under Kodak's two-person or family coverage with the cost of maintaining your own coverage separately. This worksheet can be used for either health care and/or dental. You can find biweekly cost in your Annual Personalized Benefits Information Guide or new hire package.

### If You Both Take Your Own Coverage:

Annual cost* of your coverage	\$ _____
Annual cost* of your partner's coverage	+ \$ _____
Net cost of health care or dental coverage for couple	= \$ _____ [A]

### If You Cover Your Domestic Partner:

Annual additional taxable income on coverage (biweekly amount from the "taxable Income By Plan" chart multiplied by 26)	\$ _____
Your combined federal, state, city, and FICA tax rate**	x _____ %
Cost of additional taxes	= \$ _____
Annual cost* of coverage (two-person or family coverage category)	+ \$ _____
Total cost of coverage including taxes	= \$ _____ [B]
Annual opt-out dollars (may be called credit, allowance, etc.) from your partner's employee	- \$ _____ [C]
Net cost of health care or dental coverage for couple [B-C]	= \$ _____ [D]
Difference in costs [A-D]	= \$ _____ [E]

**[E] tells you which is the most costly approach. If [E] is positive, this is the estimated amount you will save annually by covering your Kodak-employed domestic partner. If [E] is negative, this is the estimated additional amount it will cost you annually.**

*\*Annual cost = your biweekly cost (found in your Annual Personalized Benefits Information Guide or new hire package) multiplied by 26.*

*\*\* You can use your last year's tax returns to estimate your tax rate. If your income has changed significantly since your last return, you should contact a tax advisor.*





#### IV. Kodak Benefits

We understand that this Affidavit must be filed in order for a Domestic Partner to be eligible for coverage under Kodak benefit plans and that filing this Affidavit does **not** enroll us for any benefits.

We acknowledge that filing this Affidavit enables and requires that any Pre-retirement Survivor Income Benefits (SIB) that may become payable under the terms of the Kodak Retirement Plan (KRIP) be paid to the surviving Partner. We acknowledge that this precludes any Pre-retirement Survivor Income Benefits from being paid to the Employee's dependent children or dependent parents, unless a court order to the contrary is in effect.

We acknowledge that filing this Affidavit does **not** automatically result in the naming of the Partner as beneficiary for the Employee's life insurance, Savings and Investment Plan (SIP), or any other Kodak employee benefit plan. The Employee **MUST** complete the appropriate beneficiary designation procedure in order for the Partner (or any other named beneficiary) to receive survivor benefits under KLife, SIP, or any other Kodak employee benefit plan. We understand that if the Employee dies and is not survived by a designated beneficiary, any survivor benefits payable under the terms of the respective benefits plans will be paid to the first of the following who survives the Employee:

- the Partner;
- the Employee's children and the Partner's children, in equal shares;
- the Employee's parents in equal shares;
- the Employee's estate.

We understand that we will need to complete other enrollment procedures in order to enroll a Domestic Partner in any Kodak benefit plan for which a Domestic Partner is eligible.

#### V. Other Acknowledgements

1. We certify that the information we have provided on this form is true and correct. Any statements on this form which are known to be false may be cause for disciplinary action, including loss of benefits or termination of employment.
2. We understand that any person/employee/company who suffers any loss due to any false statement contained in this Affidavit may bring a civil action against either or both of us to recover their losses, including reasonable attorney's fees.
3. We have provided the information in this Affidavit for use by Eastman Kodak Company or its agent for the sole purpose of determining our eligibility for Kodak benefits as Domestic Partners. No other parties shall have any rights under this Affidavit.
4. We understand that the Employee will be taxed on applicable imputed income from the premium paid by Eastman Kodak Company on behalf of the Partner and the Partner's eligible covered children (if any), and the Employee will not be eligible to pay the portion of health care, dental and dependent accidental death insurance premiums attributable to the Partner on a pre-tax basis.
5. We affirm, under pain and penalty of perjury, that the assertions in this Affidavit are true to the best of our knowledge.

