

AFFIDAVIT OF DOMESTIC PARTNERSHIP

DECLARATION

We, _____, (Enrollee) and _____ (Domestic Partner) certify that we are domestic partners in accordance with the following criteria and affirm that on or about _____, we entered into a Domestic Partner relationship and re living together in a Domestic Partner relationship.

DOMESTIC PARTNER CRITERIA

We declare, under penalty of perjury that we meet all of the following criteria:

- We are both at least eighteen years of age
- We are each other's sole domestic partner and intend to remain so indefinitely
- We are not married to or legally separated from anyone else
- We are not related by blood to a degree of closeness that would prohibit legal marriage in the state in which we legally reside
- We cohabit and reside together in the same residence and have resided in the same household for at least six months
- We are not in this relationship solely for the purpose of obtaining benefits coverage

CHANGE in DOMESTIC PARTNER STATUS

We acknowledge that, in the event we no longer meet one or more of the criteria set above, we will no longer be considered Domestic Partners and will immediately file a Declaration of Termination of Domestic Partnership with Sage Hospitality Resources Benefits Team. We understand that benefits will be terminated for _____ (Domestic Partner) on the date in which the Domestic Partner relationship ends as indicated on the Declaration of Termination of Domestic Partnership, providing coverage has not otherwise terminated due to standard policy provisions.

ACKNOWLEDGEMENTS

We declare, under penalty of perjury, that all of the information we have provided on this form is true and correct. I, _____, the Enrollee, understand that any false or misleading statement made in order to receive benefits for which I do not qualify will subject me to financial responsibility for any benefits paid on behalf of my domestic partner and such partners' dependents and disciplinary action including termination of employment and possible charges of fraud.

EMPLOYEE INFORMATION

Name (Printed)

Signature

Date of Birth

Street Address

Sworn to before me on this day of _____, _____.

DOMESTIC PARTNER INFORMATION

Name (Printed)

Signature

Date of Birth

Street Address

Notary Public

County

State

At **Sage Hospitality Group** we have a commitment to diversity, equity, and inclusion in the workplace. It recognizes and supports the varied family structures of its employees, fostering a positive and supportive work environment. This policy emphasizes the company's commitment to non-discrimination based on sexual orientation, gender identity, or marital status.

Domestic Partner Benefits FAQs (*acknowledgment required*)

Question 1. Who is eligible for coverage?

An eligible employee's domestic partner as defined in the current Affidavit of Domestic Partnership form. The coverages that you may enroll a domestic partner in include medical, dental, vision, voluntary life insurance, accident, and critical illness.

Question 2. When can I enroll my domestic partner?

Generally, there are three times when you can add your partner to your benefits:

- As a newly hired or newly eligible employee (PT to FT status change)
- After experiencing a qualifying life event such as loss of other coverage or family status change (mid-year status change) within 60 days of the event
- During the annual Open Enrollment period (usually end of October/early November each year)
- If you newly enter into a Domestic Partnership mid-year outside of the above timeframes, additional documentation may be required (certification of established partnership)

Question 3. How do I apply for domestic partner benefits?

To apply for domestic partner benefits, an Affidavit of Domestic Partnership form must be completed, notarized, and submitted to the Benefits Team within 30 days of the benefit effective date. Please note, domestic partner benefits will not be active/sent to the carriers until this form is returned and pending enrollments are approved.

Question 4. Can I make pre-tax premium payments for the cost of my domestic partner's coverage?

No, based on IRS regulations this is not allowed. The benefits plan has been established under IRS cafeteria plan rules. This permits employees to have deductions for health care premiums taken from their pay on a pre-tax basis. IRS regulations for cafeteria plans do not allow employee premiums for domestic partner benefits to be taken on a pre-tax basis and must be treated as a taxable benefit. Since this is a federally taxable benefit, you cannot use pre-tax dollars to pay for it.

Question 5. Why is health benefits coverage for my domestic partner considered a taxable benefit?

An employer can provide certain benefits to its employees on a tax-exempt basis. Those benefits can also be extended to spouses and dependents of those employees on the same tax-exempt basis. The domestic partner benefit is federally taxable because the federal tax code does not recognize a domestic partner in the same manner as a spouse, and it does not automatically recognize a domestic partner benefit as a taxable dependent to you and withhold federal, Social Security, and Medicare taxes on its value unless you provide a certification that your domestic partner meets the federal tax code criteria for a dependent.

Question 6. What is imputed income and why is it added to my paycheck when I cover my domestic partner?

Imputed income is the plan's contribution toward the additional coverage for your domestic partner and/or your partner's child. Imputed income is the fair market value of the additional benefit coverage for domestic partners and, under IRS regulations, is generally treated as taxable income to the employee. Imputed income is separate from, and in addition to, your bi-weekly plan cost. Imputed income is subject to both federal and FICA taxes and will be included on your W2.

Question 7. I understand that my domestic partner could be considered as a "dependent" under IRS guidelines. What would qualify my domestic partner as a "dependent" under IRS guidelines?

To claim your domestic partner as a dependent for tax filing purposes, you would need to meet the requirements provided under Internal Revenue Service Code Section 152.

Question 8. How will my after-tax medical premiums and imputed income be calculated if I add my domestic partner to benefit coverage?

Employee medical premiums are determined based on the type of medical plan selected (level of coverage) by the employee and the plan option (coverage type). These premiums are deducted from the employees' pay on an after-tax basis. The "fair market value" of the selected medical plan is the total cost of the plan minus the total cost of the plan prior to adding the domestic partner. Premiums deducted on an after-tax basis are deducted from the "fair market value" of the plan and this amount is considered as imputed income on the employee's W-2.

As an example, to calculate the imputed income of having your domestic partner on your coverage, you will take the total monthly cost of Employee + Spouse and subtract the Employee only cost, multiply that by 12 months in the year then divide by the 24 paychecks that have benefit deductions. Per the 2024 Full-Time Associate Benefits Guide for the HDHP plan this would be $\$1270.45 - \$631.03 = \$639.42 \times 12 / 24 = \319.71 . Please note, the imputed income amount shown on paystubs will be the aggregate imputed income total of all benefits the domestic partner or partner's child(ren) are enrolled in and will be added to the employee's W2 statement for the year.

Question 9. If I terminate my domestic partner's benefits, will the domestic partner be eligible for COBRA?

No. According to the IRS, a "qualified beneficiary" status is limited to employees, their spouses, and dependent children covered on the employer's group health plan. A domestic partner is not a COBRA qualified beneficiary and therefore will not have his or her own COBRA rights. A domestic partner's children that are not dependents of the employee may also not be COBRA qualified beneficiaries.

Question 10. If I enroll in a flexible spending account or a health savings account, can my domestic partner utilize the reimbursement funds?

No. Flexible spending accounts (FSA) and health savings accounts (HSA) are governed by IRS rules. The IRS does not recognize domestic partner status as a "qualified beneficiary"; therefore, reimbursement for an eligible domestic partner's health care expenses cannot be administered through a flexible spending account (FSA) or a health savings account (HSA).

Employee Signed Acknowledgement: _____

Domestic Partner's Signed Acknowledgment: _____

Date: _____