

CITY OF FLAGSTAFF HOUSING AUTHORITY

Domestic Partner Dependent Child Enrollment Forms and Instructions

The documents contained herein are to assist employees and retirees enrolling a Domestic Partner's dependent child (ren).

Table of Contents

- a. *Domestic Partner's Child Certification Instructions*
- b. *Domestic Partner's Child Declaration of Tax Status*
- c. *Worksheet for Determining Support*

PLEASE TAKE A PACKET FOR EACH DEPENDENT CHILD YOU ARE ENROLLING.

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Domestic Partner's Dependent Child Certification Instructions

Adding a Domestic Partner's Dependent Child

Complete and return the form(s) in this packet. **You must complete a separate form for each dependent child you are enrolling.**

Step One (Tax Treatment):

- a. Complete the *Declaration of Tax Status* for the qualified domestic partner's dependent child to determine whether your qualified domestic partner's dependent child fulfills the requirements to be a tax dependent. **Your qualified domestic partner's dependent child does not need to qualify as a tax dependent to qualify for insurance coverage, however if your qualified domestic partner's dependent child does not qualify as a tax dependent, you may be taxed on the fair market value (FMV) of the benefits.**
- b. If you are unsure whether your qualified domestic partner's child meets the support requirement for dependent status, you may confirm eligibility by using the optional *Worksheet for Determining Support*.
- d. If completing the optional *Worksheet for Determining Support*, you will need to know your qualified domestic partner's:
 1. Gross monthly income, if any
 2. Mortgage/rental payment, if any
 3. Monthly expenses for items such as food, utilities, repairs, clothing, education, medical, travel, etc.
- e. Keep the worksheet for your personal records. You do not need to return the worksheet with the other forms.
- f. Sign and date the *Declaration of Tax Status* form.

Step Two:

- a. Return the forms (excluding the Worksheet) to: Human Resources

CITY OF FLAGSTAFF HOUSING AUTHORITY

Qualified Domestic Partner's Dependent Child Declaration of Tax Status

You must complete a separate form for each child you are enrolling.

I, _____ declare _____ as my Qualified
(Employee/Retiree Name – Print) (Qualified Domestic Partner's Dependent Child's Name)

Partner's dependent child.

I understand that my employer has a legitimate need to know the federal income tax status of my relationship. I understand that a qualified domestic partner's dependent child is considered a tax dependent for purposes of employer-provided health plans **only if** each of the following requirements are met:

- a. My qualified domestic partner's dependent child is **NOT** my qualifying dependent child as defined by IRC 152(c), or the qualifying child (dependent) of another taxpayer. Generally, to be a qualifying Dependent child under IRC 152(c) and also meet plan coverage eligibility, the child must:
 - 1.) Be your son, daughter, stepchild, foster child **AND**
 - 2.) Be under age 19 at the end of the year, **OR**
Be under age 24 at the end of the year and a full-time student, **OR**
Be any age and permanently and totally disabled **AND**
 - 3.) Have lived with you for more than half of the year **AND**
- b. My qualified domestic partner's dependent child and I will live together (share our principal residence) for the full taxable year, except for temporary absences for reasons such as vacation, military service, or education. In other words, my qualified domestic partner's child and I must live together from January 1st through December 31st.

AND

- c. My qualified domestic partner's dependent child receives more than half of his or her support from me. You may use the *Worksheet for Determining Support*, similar to the one the Internal Revenue Service (IRS) includes in its Publication 17, to determine whether you provide, or expect to provide, more than half the dependent child's support.

AND

- d. My qualified domestic partner's dependent child is a U.S. citizen, U.S. resident alien, U.S. national, or a resident of Canada or Mexico, for some part of the year.

Check one of the following boxes. Since the above is a summary of complex tax rules, we recommend you consult with your tax advisor regarding your specific circumstances.

Based on the criteria above, I declare that:

- Yes**, my qualified domestic partner's dependent child is reasonably expected to be my tax dependent for the 20__ calendar year.

PLEASE ATTACH PREVIOUS YEAR FORM 1040

- No**, my qualified domestic partner's dependent child is not expected to be my tax dependent for the 20__ calendar year. As a result, premium contributions for my qualified domestic partner's child cannot be taken on a pre-tax basis and I understand that I may be taxed on the fair market value (FMV) of the benefits.

By signing this form:

I declare that the information I have provided is true, complete, and correct. If it is not, or if I do not update this information within thirty-one (31) days, I may be liable for any claims paid by my health plan(s) or premiums paid on my behalf and my declared qualified domestic partner's behalf.

I understand that:

- a. This declaration of tax status may have legal implications under federal and/or state law.
- b. A civil action may be brought against me for any losses, including reasonable attorneys' fees, if I have made a false statement in this declaration.
- c. I must notify the Human Resources Division if there is a change in the domestic partnership or domestic partner's child's tax status within thirty-one (31) days of the change. A change in my family status may directly impact the calculation of my taxable income.

Employee/Retiree Signature

Date

CITY OF FLAGSTAFF HOUSING AUTHORITY

Worksheet for Determining Support

This worksheet is modeled after the Internal Revenue Service Publication 17 worksheet and requests historical information. However, it is necessary that you determine whether your qualified domestic partner will qualify as a dependent for the calendar year in which the dependent is enrolling (the "enrollment year"). Complete this worksheet using the income and expenses you anticipate during the enrollment year to determine if you provide more than one-half of the support for your domestic partner, or domestic partner's child. **A separate worksheet must be completed for each individual.**

Individual's Income

1. Did the individual you supported receive any income, such as wages, interest dividends, pensions, rents, social security, or welfare?
 Yes (Answer questions 2, 3, 4, and 5.)
 No (Skip to question 6.)
2. Total annual income received \$ _____
3. Amount of income used for the individual's support \$ _____
4. Amount of income used for purposes other than support \$ _____
5. Amount of income either saved or not used for lines 3 or 4 \$ _____

The total of lines 3, 4, and 5 should equal line 2.

Yearly household expenses for entire household where you and the individual live

6. Lodging (Complete either a or b):
 - a. Rent Paid \$ _____
 - b. If not rented, show fair rental value of your home. If your domestic partner owned the home, include this amount on line 21. \$ _____
7. Food \$ _____
8. Utilities (heat, light, water, etc. not included in line 6a or 6b) \$ _____
9. Repairs that were not included in line 6a or 6b \$ _____
10. Other (i.e., furniture). Do not include expenses of maintaining home (i.e., mortgage interest, real estate taxes, and insurance). \$ _____
11. Add lines 6a or 6b through 10 \$ _____
12. Total number of persons who lived in the household \$ _____

Yearly Expenses for the Individual

13. Divide line 11 by line 12 to determine each person's part of household expenses
$$\frac{\$ \text{line 11}}{\text{line 12}} \div \frac{\$ \text{line 12}}{\text{line 12}} =$$
 \$ _____
14. Clothing \$ _____
15. Education \$ _____
16. Medical and dental \$ _____
17. Travel and recreation \$ _____
18. Other (please specify) _____ \$ _____
19. Total amount for the individual's yearly support (Add lines 13 through 18.) \$ _____
20. Multiply line 19 by 50% (1/2 of the individual's support) \$ _____
21. Amount the individual provided for his or her own support:
Amount from line 3 \$ _____
Amount from line 6b (include if the individual owned the home) \$ _____
Add lines 3 and 6b, if each are applicable \$ _____
22. Amount that others added to the individual's support. Include amounts provided by state, local, and other welfare societies or agencies. Do not include any amounts from line 2. \$ _____
23. Amount you provided for the individual's support:
$$\frac{\$ \text{line 19}}{\text{line 19}} - \frac{\$ \text{line 21}}{\text{line 21}} - \frac{\$ \text{line 22}}{\text{line 22}}$$
 \$ _____
24. Is line 23 more than line 20? If so, the individual qualifies as a tax dependent. Check "Yes" on the appropriate *Declaration of Tax Status* form.