

HUMAN RESOURCES MEMORANDUM 94-041		DATE ISSUED: 12/31/2009
SUBJECT: Special Dental Open Enrollment Period for Valid Same-Sex Marriages		REFERENCE: None
TO: PERSONNEL LIAISONS; ATTENDANCE CLERKS		SUPERCEDES: None

PLEASE ENSURE THAT THIS INFORMATION IS SHARED WITH YOUR EMPLOYEES

Purpose of Document

The purpose of this HR Memo is to outline the provisions of PML 2009-046 from the Department of Personnel Administration (DPA). This document provides you with detailed information regarding the Special Dental Open Enrollment period that will be conducted to allow employees an opportunity to add their same-sex spouse under the provisions of Senate Bill 54.

Senate Bill 54, Chapter 625

SB 54, Chapter 625 provides that for two persons of the same-sex who contracted a marriage outside of the State of California prior to November 5, 2008, the marriage is considered valid in California.

SB 54 further requires that for two people of the same-sex whose marriage was valid in the jurisdiction in which it was contracted on or after November 5, 2008, will be afforded the same rights protections and benefits of marriage in California, but may not be designated as "married."

Effective January 1, 2010, departments will be required to accept any valid same-sex marriage certificate issued under the provisions of SB 54.

Special Dental Open Enrollment Period

The special dental open enrollment period will be held from January 4, 2010, through February 4, 2010. All forms processed to add a same-sex spouse during this period are effective February 1, 2010.

During this special dental open enrollment period, employees may add their same-sex spouse to their dental plan by completing a dental plan enrollment authorization for (STD 692) and provide a copy of their valid marriage certificate to the Office of Human Resources.

If impacted employees do not enroll their same-sex spouse to their dental plan during the special open enrollment period, then the next opportunity to enroll will be during the next annual open enrollment period.

Federal Imputed Taxation

The Federal Government does not recognize same-sex marriages for tax purposes; the value of the additional benefits received by a same-sex marriage is required to be added to an employee's taxable gross income.

The tax liability is an “imputed value” based on the difference between the one and two-party dental premiums (party rate one premiums is used as the employee’s coverage.)

However, if the spouse in a same-sex marriage qualifies as a dependent for tax reporting requirements under the Internal Revenue Code, the value of the additional benefits will be exempt from the imputed tax upon certification from the employee.

Completing the Dental Plan Enrollment Authorization Form STD 692

Complete a STD 692 and forward to your Personnel Specialist with the following information:

1. Complete line 14, Permitting Event Codes with appropriate code:
 - 17a - If same-sex spouse is added to a one-party enrollment
 - 21a - If same-sex spouse is added to a two-party enrollment
2. Complete line 15 - permitting event date with 01/04/2010
3. Complete line 16 - effective date with 2/1/2010
4. Complete line 17- place “A” in action code, spouse’s first name, mi, last name, date of birth, and family relationship.
5. Complete line 25 - party code with “A” (for party code of 2) or “B” for party code of 3)
Note: if an employee is already enrolled with a party code 3, then the party code must be changed to “B”, unless the DPA 680 is on file.

Stop Imputed Taxation

To stop imputed taxation you will need to complete a new STD 692 with the following information:

1. Use party code 2 or party code 3. Indicate “Economic Dependent Same-Sex Spouse- DPA 680 on file” in the remarks section. Maintain the DPA 680 in the employee’s personnel file. Do not send the DPA 680 to SCO, CalPERS, or DPA.
2. SCO Benefits Unit will establish party code 2 or party code 3 and stop the imputed taxation.

Note: The current “Affidavit for Domestic Partners being claimed as economic dependents – DPA 680 (Revision 12/2002) is being revised. The revised form will be available prior to the start of the special open enrollment period. Look for it on the “forms” page of DPA’s website.

Affidavit for Employees-Gender Verification of Married Persons and Notice of Imputed Tax (DPA 880)

Employees who elected to add their same-sex spouse to dental benefits during this special dental open enrollment will not be required to complete the DPA 880 Form. The imputed taxation will be applied when the STD 692 is processed by SCO.

FlexElect Program

Under the State’s Flex Elect Medical Reimbursement Account (also known as a Flexible Spending Account (FSA)), current federal tax law does not include a spouse in a same-sex marriage in the definition of a dependent.

This means that employees who enroll in a medical reimbursement account are unable to claim reimbursement of medical expenses for a spouse in a same-sex marriage, unless the spouse otherwise qualifies as a dependent under Internal Revenue Code Section 152. SB 54 does not amend or modify federal law.

Vision Program

The premium paid for active employee’s vision coverage is fully paid by the State.

State employees' vision coverage is automatically established and no form is required to enroll, add, or delete dependents during this special enrollment period. Therefore, employees need to continue to ensure that only eligible dependents are provided services under their state-sponsored vision plan.

Deadlines for submission of STD 692 to PTU

The last date an employee may sign and submit the STD 692 to Personnel is February 4, 2010. Completed, signed documents received with a signature date after February 4, 2010, will not be processed and will be returned to the office.

Questions

You may contact your assigned Personnel Specialist if you have any questions.

/s/

Maria Lopez, Manager
Personnel Operations Section

ML/kts

cc: Personnel Transactions
Personnel Analysts