



DAVID A. PATERSON
GOVERNOR

STATE OF NEW YORK
DEPARTMENT OF CIVIL SERVICE
ALFRED E. SMITH STATE OFFICE BUILDING
ALBANY, NEW YORK 12239
www.cs.state.ny.us

NANCY G. GROENWEGEN
COMMISSIONER

NY10-05

TO: New York State Agency Health Benefits Administrators

FROM: Employee Benefits Division

SUBJECT: Non-Federally Qualified Domestic Partners and Spouses and the Pre-Tax Contribution Program

DATE: March 8, 2010

The Employee Benefits Division has implemented a change in policy regarding enrollees that have elected to participate in the Pre-Tax Contribution Program (PTCP) and cover a non-federally qualified domestic partner or spouse. Previously, these enrollees would have had a split-tax deduction, the part of the premium they paid for the dependent portion of their coverage being taken as after-tax. Effective January 1, 2010, enrollees who elected to participate in the PTCP and who cover a non-federally qualified domestic partner or spouse will have their full employee share premium contribution for the cost of family health insurance coverage deducted on a before-tax basis.

Changes to Enrollees' Paychecks

Transactions have been processed on NYBEAS retroactive to January 1, 2010 to reflect this change for these enrollees. To correct enrollees' taxable income for the 2010 year, any after-tax premium paid must be refunded and repaid on a before-tax basis. To accomplish this, after-tax refunds will be issued in a separate check to the enrollee. Before-tax special deductions will be taken from enrollees' paychecks in \$55.00 increments until the taxable income has been fully adjusted. The first check impacted will be March 11, 2010 for Institution payrolls and March 17, 2010 for Administration payrolls. This change will not have an effect on the total premium deducted; however the tax withholding amounts could change slightly.

Imputed Income Will Not be Affected

Imputed income will continue to impact each biweekly paycheck for enrollees covering a non-federally qualified domestic partner or spouse, and will be reported on the employee's W-2.

NYBEAS Processing Instructions Do Not Change

Continue to indicate the appropriate 'Federal Qualification Status' when processing new enrollments so that imputed income will be calculated correctly.

Each affected enrollee will receive a letter from the Employee Benefits Division, a copy of which is attached for your reference. Please contact your processor if you have any questions.