TAX INFORMATION ON HEALTH BENEFITS FOR DOMESTIC PARTNERS

BlueCross BlueShield of Illinois

We suggest that you consult a tax advisor to review the certification below and determine the status of your Domestic Partner and/or his/her children as dependents for tax purposes with respect to the health and Health Savings Account related benefits provided under the Plan.

Currently, the Internal Revenue Code treats spouses and children through marriage differently from Domestic Partners in respect to health benefits. The cost of coverage for a spouse and children/stepchildren is automatically exempt from taxes, but, for a person who is not a spouse or child/stepchild through marriage, a payment for health care coverage is not entitled to tax exemption unless the person is a "dependent" as defined in the Internal Revenue Code.

If your Domestic Partner and his/her children are dependents under this Code, you should provide your Group with a tax certification to that effect to gain the benefit of the tax exemption. If your Domestic Partner and his/her children are not your dependents, the payments for coverage may be treated as follows:

- Your contribution for health insurance (if your Group health plan requires one) for the Domestic Partner and his/her children will be made on an after tax basis.
- The Group's contribution for the coverage for your Domestic Partner and his/her children may be considered taxable income to you, and the Group may withhold state and federal taxes on it.

DEFINITION OF DEPENDENCY: Under the current definition in Section 152 of the Internal Revenue Code, your Domestic Partner may be considered to be a dependent if you meet several tests, including:

1. The Domestic Partner is a member of your household, and has his or her principal place of residence in your home, and;
2. You furnish over half of the Domestic Partner's support for the year. To determine this, the amount you contribute must be compared with the amounts received for support by the Domestic Partner from all other sources, including any amounts supplied by him or her, including earnings.

If you elect to have the children of your Domestic Partner covered by these health benefits, the same rules of dependency apply. So if the children do not receive over half of their support from you, the cost of their coverage may be taxable to you unless the child or children are your dependent(s).

TAX CERTIFICATION OF DEPENDENCY

Employee:	Last Name	First Name	M.I.
Employee Social Security Number:			
Domestic Partner:	Last Name	First Name	M.I.
Domestic Partner Social Security Number:			
Partner's Children:	Last Name	First Name	M.I.
	Last Name	First Name	M.I.
	Last Name	First Name	M.I.

I certify that: (a) my Domestic Partner, and/or; (b) the children listed above, of my Domestic Partner whom I am enrolling for health insurance coverage are my legal tax dependents under Section 152 of the Internal Revenue Code. I understand that falsely certifying dependency status could result in disciplinary action at the Group, as well as potential claim or tax fraud. I further agree to notify the Group immediately of any change in this tax status.

_____ _____

Signature of Employee Date

On the _____, day of _____, 20____, before me personally came_____, to me known to be the individual described as "Employee/Insured" in the above document entitled "Tax Certification of Dependency" and who executed same as a free and voluntary act for the uses and purposes stated therein.

_____

Notary Public

My Commission Expires:_____

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