**FAQs for Domestic Partner Deductions**

1. ***What is imputed income?***

Benefits an employee receives which are not recognized as part of their salary or wages, but are still taxed as a part of their income are better known as imputed income. Thus, the employee may not have to pay for these particular benefits, but they are responsible for paying the tax on their value.

1. ***How will this affect end of year taxes?***

This change may increase your 2025 tax liability since the full premium will correctly be deducted pre-tax and included in your taxable income, so you may or may not see a difference in your taxes. In addition, this information will now be reflected on your earnings statement.

1. ***How is the imputed income calculated?***

-The imputed income earning code on the biweekly paycheck is calculated by taking the monthly total cost of the benefit (employee+employer portion x 2 paychecks) for the coverage for EE+Domestic Partner, and subtracting out for the EE only total monthly cost and then dividing that number by 2. Those employees with EE + Domestic Partner + Children plan have imputed income calculated as the difference with the addition of a Domestic Partner on the EE + Children plan.  An example for each scenario is shown below:

|  |
| --- |
| Example 1: Employee + Domestic Partner Enrolled in the Basic PPO Medical Plan |
| EE+DP Total Monthly Cost | $2,026.85 |
| EE Only Portion of the Monthly Cost | $443.22 |
| **$2,026.85 - $1013.40 = $1,013.45 divided by 2 paychecks = $506.73 Imputed Income** |

|  |
| --- |
| Example 2: Employee + Children + Domestic Partner Enrolled in Dental Plus Plan |
| EE+Children+DP Total Monthly Cost | $158.90 |
| EE+Children Only Portion of the Monthly Cost | $103.49 |
| **$158.90-$103.49 = $55.41 divided by 2 paychecks = $27.71 Imputed Income** |