



## DOMESTIC PARTNER BENEFITS: EQUAL PAY FOR EQUAL WORK

Employers' health insurance coverage for legal spouses places unmarried couples at a disadvantage for obtaining coverage. Data from the Current Population Survey confirm that **people with same-sex or different-sex unmarried partners are two to three times more likely to be uninsured than married people**, even after controlling for factors influencing coverage. Universal partner coverage would cut that uninsured rate by as much as 50%. Employers offering domestic partner benefits would see a small enrollment increase: 0.1%–0.3% for gay and lesbian partners and 1.3%–1.8% for heterosexual partners. We find no evidence of adverse selection.

- MICHAEL A. ASH and M. V. LEE BADGETT, WILLIAMS INSTITUTE STUDY, 2006

### ***Why are domestic partner benefits so important to gay and lesbian employees?***

- Studies have shown that benefits comprise nearly 40 percent of overall compensation. Without domestic partner benefits, a significant portion of overall compensation is unattainable for gay and lesbian workers.
- Benefits include but are not limited to: health insurance, bereavement and maternity leave, dental, vision, life insurance and retirement savings plans.
- The State of Maryland assures that married couples do not have to bear the burden for these benefits because they are automatically covered under a spouse's insurance; same-sex couples are not covered.
- Nor are same-sex couples covered under the Family and Medical Leave Act to take unpaid leave to care for a sick partner.
- The Consolidated Omnibus Budget Reconciliation Act of 1995 (COBRA) requires most employers to offer employees the opportunity to pay for continued health coverage in the event that their coverage ends due to events such as divorce or termination. COBRA does not, however, require an employer to extend those rights to domestic partners.
- Even when DP benefits are offered by employers, employees with domestic partners are taxed on these benefits by the government as income. Married couples are not.

Patty Perillo and her partner, Donna, of Silver Spring, had been together for six years when Donna was diagnosed with ovarian cancer. Patty had worked at UMBC for the state of Maryland for several years. Had Patty been married to a man, she could have covered him on her health insurance plan so he could focus on his health during this crucial time. Unfortunately, because the State does not offer domestic partner benefits (or allow same-sex couples to marry), Donna worked throughout her illness. When Donna passed away at the age of 49, Patty was ineligible for bereavement leave because Donna was not her spouse.

### **Lack of domestic partner benefits affects children**

- Without access to benefits, workers' domestic partners and their children are often forced to live without health insurance, or with minimal coverage they buy personally.
- Children may be deprived a stay-at-home parent, since in some situations, one parent might be able to stay at home to raise the children full-time if not for the lack of healthcare benefits offered by a partner's employer.

Takia Foskey and Jo Rabb live in Baltimore, where they are raising Takia's biological children, a 13-year-old daughter and an eight-year-old son. For years, Takia did not have her own health insurance because her part-time job did not offer it, nor was Takia able to afford private insurance. Although as a City of Baltimore bus driver Jo is a State employee with good health benefits, she cannot enroll Takia or the children in her health plan. Takia's son has asthma, which has forced the couple to struggle with the challenge of providing medical care for their son. Their worries would be greatly reduced if Takia and the children could be covered under Jo's health plan.

### **Leading businesses, schools and governments are offering DP benefits**

The number of colleges, governments and private corporations that offer DP benefits stands at more than **5,400**.

More than half (253) of Fortune 500 companies offer domestic partner benefits to their employees, including:

- Lockheed Martin (Bethesda)
- Marriott International (Bethesda)
- Allegheny Energy (Western Maryland)

Other Maryland-based companies offering DP benefits include:

- Symantec Corporation (Rockville)
- U.S. Foodservice (Columbia)
- Gazette Newspapers (Gaithersburg)
- Discovery Communications (Silver Spring)
- Host Hotels and Resorts (Bethesda)
- Group 1 Software (Lanham)
- Reeves Manufacturing (Frederick)
- Constellation Energy Group (Baltimore)
- T. Rowe Price (Baltimore)

Among national four-year colleges and universities, 92 percent of the top 25 provide domestic partner health coverage, including:

- Johns Hopkins University
- St. Mary's College
- Maryland College of Art & Design
- Montgomery College

**Fourteen states and the District of Columbia offer domestic partner benefits :**

Alaska	Montana
California	New Hampshire
Connecticut	New Jersey
D.C.	New Mexico
Hawai`i	New York
Illinois	Oregon
Iowa	Rhode Island
Maine	Vermont
Massachusetts	Washington

**Two hundred and one local gov'ts also offer these benefits, including:**

Montgomery County
Howard County
City of Baltimore
College Park
Greenbelt
Hyattsville
Mount Rainier
Takoma Park

***DP benefits are an inexpensive way to improve an institution***

- A 2005 Hewitt Associates study showed that the majority of employers experience a total benefits cost increase **of less than one percent**<sup>1</sup>.
- Increased benefits enrollment when DP benefits are enacted is **often one to three percent**, so increased costs are minimal.
- Numerous studies have indicated that the cost of covering a domestic partner is equivalent to that of covering a spouse, and in the case of male same-sex partners is often lower because expensive childbirth costs are excluded.
- The overall risk of adverse selection has not been borne out in the actuarial statistics.

***Offering DP benefits is smart business for employers***

- Studies indicate that the major reason companies offer domestic partner benefits is to attract and retain the best employees.
- Offering a benefits package which appeals to a diverse workforce enables an employer to maintain a recruitment edge and demonstrates that the employer values diversity.
- According to a November 2005 Gallup poll, an employee's satisfaction with his or her employer, willingness to stay with the employer and inclination to recommend the employer to others are all strongly related to the company's diversity policies.
- Domestic partner benefits programs have been shown to improve employees' productivity and retention rate by alleviating personal stress that may prevent them from focusing fully on work<sup>2</sup>.

Dave Nelms and Victor Acord live in Nottingham and have been together for six years. Dave, who is diabetic, has been hospitalized on several occasions. The couple has grappled not only with issues related to health insurance coverage, but also with employers who were unwilling to accommodate their needs when Dave required home care. When Victor asked for time off to care for his partner, one employer told him that medical leave was only available for "real families."

<sup>1</sup> "Benefit Programs for Domestic Partners & Same-Sex Spouses," Hewitt Associates, July 2005.

<sup>2</sup> "Fundamentals of Employee Benefit Programs, Part Four: Other Benefits," Employee Benefit Research Institute, 2005. Available at [www.ebri.org/pdf/publications/books/fundamentals/Fnd05.Prt04.Chp38.pdf](http://www.ebri.org/pdf/publications/books/fundamentals/Fnd05.Prt04.Chp38.pdf).