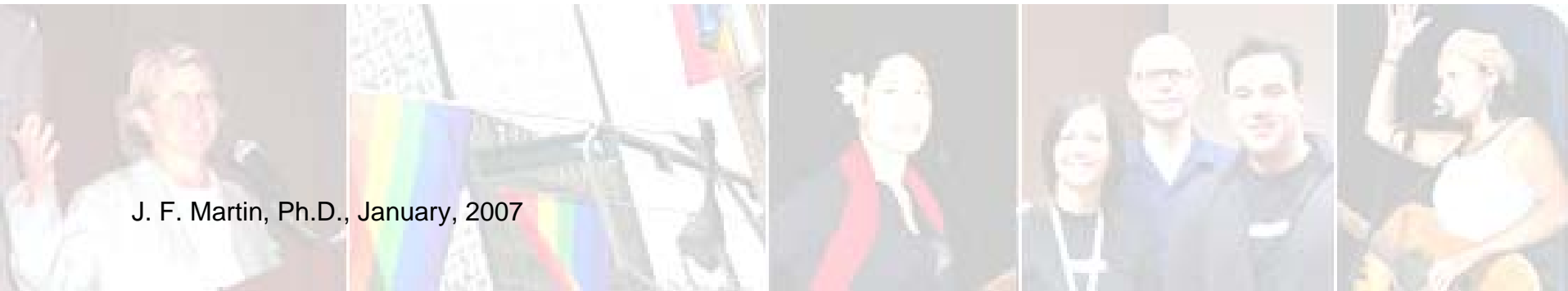




Support Benefits Tax Equity

A Call To ACTION:



J. F. Martin, Ph.D., January, 2007

Agenda



- ! Domestic Partner Tax Equity Act
- ! Domestic Partner Tax Inequity 101
- ! Call to Action: Getting Involved
- ! Business Coalition for Tax Equity

Facts

- ! Domestic partners, same and opposite-sex, are taxed more than married couples on their healthcare benefits
- ! Employers who provide domestic partner benefits are also additionally taxed for providing these benefits

Facts



- ! It has been 25 years since the first domestic partner benefits were offered in the workplace
- ! Today, over 50% of all fortune 500 companies offer domestic partner benefits
- ! This emphasizes the trend in the American workplace that federal laws have not kept up with corporate change

An example...

	Employee with domestic partner	Employee with spouse
Annual salary:	\$70,000	\$70,000
Employer contribution : Monthly: \$600.00	\$7,200 annual employer contribution (Imputed Income)	\$7,200 annual employer contribution
Premium contribution: Monthly: \$200	Annual contribution \$800(pretax) & \$1,600 (post-tax)	Annual contribution \$2,400(pre-tax)
Taxable income: Result:	\$76,400	\$67,600

\$8,800 difference in **Taxable Income** for the employee with a Domestic Partner than the employee with a Spouse.

So, what is being done?

The Domestic Partner Health Benefits Equity Act

- ! A bi-partisan bill to eliminate the inequitable taxation shown in the previous slide
- ! Initially introduced on the Senate floor on June 30, 2005 by Senators Gordon Smith (R-OR) and Chuck Schumer (D-NY)
- ! Referred to the Senate Finance Committee
- ! Bill to be introduced to Congress early 2007



So...what can YOU do?

! **RAISE AWARENESS** and create the **CALL TO ACTION** around the Domestic Partner Tax Equity Act and the proposed changes to the federal tax laws

Remember...

This is a company and employee retention and equity issue!

Suggested action steps


- ! Meet with your Employee Resource Group & Executive sponsors and present tax equity information
- ! Connect with your Benefits team to make them aware of this act
- ! With the support of your Executive sponsors & Benefits team, meet with your Government Relations team
- ! Encourage all of these groups and individual employees to send letters of support for the Tax Equity Act to Senators and members of Congress
- ! Gain the support of the Domestic Partner Tax Equity Act with your senior leaders and encourage your company to join the Business Coalition for Tax Equity

Businesses getting involved



Business Coalition for Benefits Tax Equity

(project of the Human Rights Campaign)

- ! Mission: A group of employers that support eliminating the federal tax inequities that result when corporations voluntarily provide health care coverage to the domestic partners of their employees
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Business Coalition Members*

A.H. Wilder Foundation	General Mills, Inc.
Ameriprise Financial, Inc.	Hewlett-Packard Company
Bausch & Lomb, Inc.	HSBC North America
Best Buy, Co., Inc.	JP Morgan Chase & Co.
BlueCross BlueShield of MN	Levi Strauss & Co.
Capital One Financial Corp	MetLife, Inc.
Charles Schwab & Co, Inc.	Microsoft Corporation
The Chubb Corporation	Motorola
Citigroup	Nike Inc.
Corning, Inc.	PricewaterhouseCoopers
Coors Brewing Co.	Project for Pride in Living, Inc.
The Dow Chemical Company	Prudential Financial
Eastman Kodak	Xerox Corporation

*List updated: 01-12-2007, information provided by Jamey Delaplane of Davis & Harman LLP (202)662-2294

Resources



- ! Domestic Partner Tax Equity Act
- ! DVD: Domestic Partner Tax Equity Act Overview
- ! Guide to writing your public officials
- ! Business Coalition for Tax Equity member list
- ! Business Coalition for Tax Equity sign-up form
- ! Town Call Power Point presentation
- ! Speaking points on Domestic Partner Tax Equity
- ! Frequently Asked Questions
- ! Etc.

Closing

- ! I want to thank you for your time and interest in learning more about Domestic Partner tax equity and your commitment to helping make this change
- ! If you are not able to ask your question during this call, please log onto www.OutandEqual.org to ask your question or to access additional resources.

Questions

