Agenda Item #:

## PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

## AGENDA ITEM SUMMARY

Meeting Date: Septe	mber 10, 2013	[ ] Consent [ ] Ordinance		gular blic Hearing		
Department: Risk Mar	nagement					
Submitted By: Risk N	<b>lanagement</b>					
Submitted For:						
EXECUTIVE BRIEF						
Motion and Title: Sequity" policy to reimble the County's self-insuthe value of the plant	burse employees ired health plans	s who cover their eli s and are thereby su	gible domest bject to fede	tic partners under ral income tax for		
Summary: Since Jar to the eligible and reforty-eight employees sex partnerships and guidelines, employer beneficiaries that are of the health insurar earnings). Tax rates individual tax respons of this policy, it would tax liability incurred to Board's cost of proviforty-eight employees amount will fluctuate of health insurance majority of County opposite sex partners associated tax benefit	egistered domests with enrolled do nine of which is that pay for a not legal dependence plan to the covery by individual sibilities. Thereford have to increasely the employee ding this additions with domestic plas employees enrolloyees with ships and do have to increasely the employees enrolloyees with ships and do have the county that its. (TKF County in the county is with enrolley with ships and do have the county in	tic partners of its en omestic partners, thi are same sex par health insurance for dents as defined by employee as impute al and the Board candere, should the Board se the employee's profession of the domestic partners currently en nroll and disenroll detime. It should also domestic partners we the option to mar wide)	nployees. Curty-nine of watherships. Ur domestic the IRS must dincome (annot absolved proceed with an amount of the IRS, 783.0 rolled on the omestic particles on the expression on their particles on their particles.	urrently, there are which are opposite inder current IRS partners or other st credit the value additional, taxable employees from th implementation nount equal to the cal coverage. The 0 annually for the e health plan. This ners and the cost sly noted that the inters and enjoy all		
Background and Favailable to the regist paying the full cost of Board agreed to pay for traditional dependent taxable by the IRS. (	stered domestic pof coverage. The the cost of domester dent coverage.	partners of County ence following year, be estic partner coverac It is the Board's c	employees, v eginning Jan ge in the san	vith the employee uary 1, 2007, the ne amount it pays		
Attachments: None			,			
Recommended By:	VMC 1 Department Dire	L Bellm ector		8/16/13 Date		
Approved By:	Sounty/Deputy/	Assistant County A	dministrato	r Date		

## II. FISCAL IMPACT ANALYSIS

Fiscal Years	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Capital Expenditures					
Operating Costs					
External Revenues					~
Program Income (County)	***************************************				
n-Kind Match (County)					
,,, , , , , , , , , , , , , , , , , ,					
Net Fiscal Impact			anaintia 😕		
# ADDITIONAL FTE					
POSITIONS (Cumulative)	0	0	0	0 .	0
le Itam Included In	Current Budget?	Vas	No		
Budget Account	Exp No.: Fund		Unit	Obj	
Daaget Account	Rev No.: Fund	Dept		Obj	
C. Department	al Fiscal Review:	IEW COMMEN	<u>ıts</u>		
A. OFMB Fisca	al and/or Contract l	Dev. and Cont	rol Comments	\$ <b>:</b>	
	$\sim 7$				
	OFMB 120 3/2/	763 <u>ba</u> 811 <b>Co</b>	<i>Deva W</i> intract Dev. ai	heeler 8 - nd Control	16-13
B. Legal Suffice	, , , , , , , , , , , , , , , , , , , ,	12013 Bar 512 Co	ntract Dev. a	hell 8 -	V6 -13

REVISED 9/03 ADM FORM 01 (THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

Department Director

## Background and Policy Issues (continued from page 1):

A letter to the Mayor and Commissioner Berger from the Human Rights Council dated June 14, 2013, requesting tax equity for County employees with domestic partners enrolled in the health plans, was brought up at the July 2<sup>nd</sup> meeting by Commissioner Berger and staff was directed to review the proposed policy for the Board to reimburse County employees in the amount of tax paid to the federal government.

The request comes following the repeal of the Defense of Marriage Act (DOMA) by the Supreme Court in June. While the repeal of DOMA did not change the tax treatment of benefits nor create a new tax burden, it did create a difference in how these benefits are treated based on the State of residence. Same-sex marriages are recognized as legal in twelve states and the District of Columbia at the time of the ruling. As a result of that ruling, legally married couples who live in a state where same-sex marriage is recognized will no longer be subject to federal income taxes for the value of health insurance benefits, and workers can pay for same-sex spouses' coverage on a pretax basis. Florida is not yet among those states at this time, and therefore employees with domestic partners (whether they are same or opposite sex) are still subject to taxes on the value of the full cost of their medical plan under the provisions of the IRS. Other cities in Florida, including Miami and West Palm Beach, have enacted tax equity ordinances in order to offset the associated federal income tax for employees with domestic partners.

The following table illustrates the specific associated costs to the Board if this policy is adopted, based on current enrollment. If the Board enacts such a policy, it is anticipated that enrollment, and the anticipated costs, will increase over time.

		· · · · · · · · · · · · · · · · · · ·
Same Sex DP Gross up	28,616	
Additional Employer Tax	2,189	
Total	30,805	-
M/F DP Gross up (BCC & Palm Tran)	97,518	
Additional Employer Tax	7,460	
Total	104,978	
All DP Gross up	126,134	
Additional Employer Tax	9,649	
Total	135,783	