

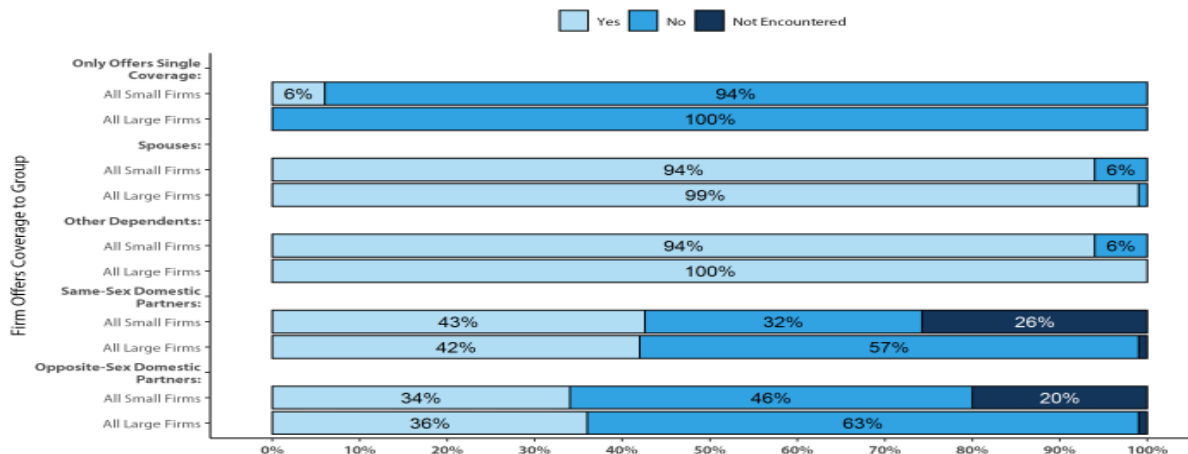
Faculty Senate Fringe Benefits Report on Domestic Partner Benefits (DPB)  
Submitted September 10, 2021  
Pat Lord, Chair

The fringe benefits committee (Julie Wayne, Business; Michael Green, Law; Mark Knudson and Michael Cartwright, Medicine; and Pat Lord, College) of Faculty Senate was asked to investigate health insurance (and maybe other benefits) for faculty domestic partners in the July 28, 2021 meeting. The issue of Domestic Partner Benefits (DPB) was brought to the Senate Executive Committee because a recent faculty hire in the college came from MA. They had always lived and worked in MA which is a state that legally recognizes domestic partners and provides health insurance as well as other benefits. The new faculty hire was not aware that WFU does not provide health insurance for domestic partners.

The committee does not recommend DPB currently for the following reasons:

- 1- Faculty recruitment has not been affected by lack of domestic partner insurance benefits (DPB). With the exception of the new hire, we can find no examples of faculty or staff who refused a position due to lack of domestic partner health benefits. Additionally, in the School of Business, HR for staff hires finds that our benefits are competitive for recruiting staff.
- 2- Low and declining availability of DPB in corporate and academic contexts. Medical coverage of same sex and opposite sex domestic partners was not covered at a high percentage in 2019 based on data from Kaiser Family Foundation. In fact, opposite sex domestic partner insurance was only provided in 34-36% of firms and 42-43% of firms for same sex domestic partners. See graph below:

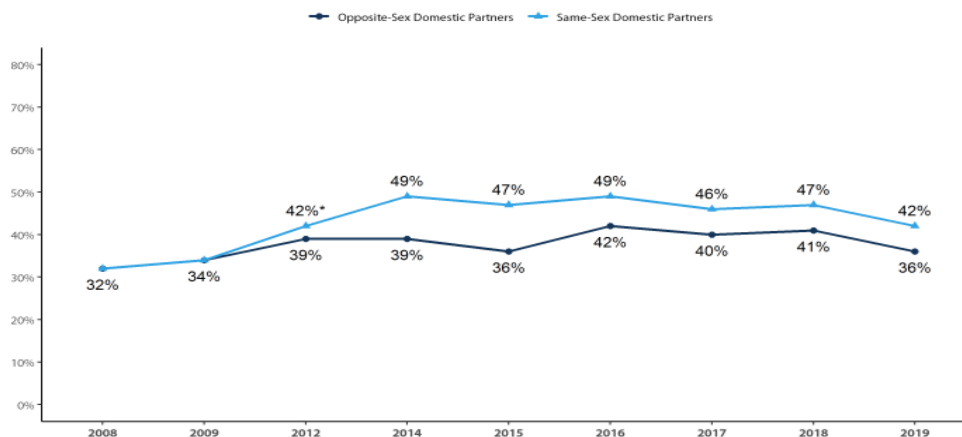
**Figure 2.11**  
**Among Firms Offering Benefits, Percentage That Offer to Spouses, Dependents and Partners,**  
**by Firm Size, 2019**



NOTE: Small Firms have 3-199 workers and Large Firms have 200 or more workers. Not Encountered refers to firms where no workers requested domestic partner benefits and there is no corporate policy on coverage for that classification of domestic partners.  
SOURCE: KFF Employer Health Benefits Survey, 2019

Additionally, the percent of large companies offering health benefits to domestic partners whether same sex or opposite sex has been decreasing in recent years. See graph below:

**Figure 2.13**  
**Among Large Firms Offering Health Benefits, Percentage That Offer to Unmarried**  
**Opposite-Sex and Same-Sex Domestic Partners, 2008-2019**



\* Estimate is statistically different from estimate for the previous year shown ( $p < .05$ ).

NOTE: Large Firms have 200 or more workers. See Figure 2.12 for the percentage of firms indicating 'no' and 'not encountered'. These questions were not asked in the 2010, 2011, and 2013 surveys.

SOURCE: KFF Employer Health Benefits Survey, 2018-2019; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2008-2017

Some firms had adopted same-sex DPB as a “spousal equivalent” option because marriage was not a legal option as was the case for opposite-sex couples. Thus, a primary explanation for the drop in DPB is the legalization of same-sex marriage. For more details, please refer to

<https://www.kff.org/report-section/ehbs-2019-section-2-health-benefits-offer-rates/>.

- 3- In an academic context, 69% of schools in the following peer set *do not offer* DPB. Stated differently, only 5 of 16 peer schools offer DPB:

Duke University - same-sex "spousal equivalents"; no different-sex coverage

American University - Domestic partners are eligible with affidavit

Brandeis University - same-sex domestic partners only (it appears)

Brown University - spouses only

Dartmouth College - apparently only spouses (no mention of domestic partners)

Emory University - legal spouses only

Lehigh University - domestic partners included

Pepperdine University – appears to be legal spouses only – must provide marriage license.

Santa Clara University - "registered domestic partner" included

Southern Methodist University - legal spouses only

Tufts University - domestic partners included

Tulane University - legal spouses only

University of Miami - legal spouses only

University of Notre Dame - appears to be spouses only

University of Richmond - legal spouses only

Vanderbilt University - legal spouses only

- 4- Higher administrative costs: Some employers cite the “administrative complexity” associated with coverage for domestic partners as a reason for not having them. According to a consultant from Mercer: “In order to qualify for domestic partner coverage, you need show an affidavit, something that shows that you are financially interdependent, like a joint checking account or a mortgage.” “That’s outside the automated administration system and it’s more cumbersome. Another administrative difference involves taxes.” The IRS does not recognize domestic partnerships; therefore, any WFU contribution to health benefits is considered taxable income. In sum, in addition to the direct costs of insuring more partners, there are additional administrative costs. See: <https://www.workforce.com/news/employers-dropping-domestic-partner-benefits>
- 5- Faculty and Staff Equity: It would be inequitable to offer faculty domestic partner benefits and not staff. Apart from time off, all benefits are the same for faculty and staff.

#### Analysis & Conclusions:

Whereas providing inclusive benefits such as DPB can help attract talent, available evidence suggests that Wake Forest not offering DPB is aligned with our peer set and the trend in corporate environments. Further, with the one noted exception, lack of DPB has not been a deterrent for hiring faculty or staff. Thus, in terms of setting a broader policy, we considered this evidence along with the potential direct and administrative costs to providing DPB in the context of the University’s self-funded, cost-rising healthcare benefits. We determined that at this time, the costs of providing DPB outweigh the potential benefits.

We ask that Human Resources consider the following:

- 1- On HR health benefits page, it currently states that to obtain health care coverage for spouse or children a marriage license or birth certificates is required. We recommend adding a clear statement that health care for domestic partners is not covered.
- 2- Human resources should assist new hires with identifying health coverage options for family or domestic partners who are not eligible for coverage through Wake Forest Benefits.