



## **\*\*IMPORTANT INFORMATION\*\***

### **Method of Reporting Imputed Income**

In accordance with the Domestic Partner and Civil Union Partner Healthcare Coverage Policy, imputed income amounts will be reported to employees on a check by check basis and reconciled for any coverage changes on a quarterly basis. This means that the value of the benefit will be reflected and calculate applicable withholding taxes on each of your paychecks throughout the year. A reconciling entry for coverage changes will occur on a quarterly basis.

When reviewing your pay statement, you will notice the value of the benefit has been added as compensation, and then deducted as a miscellaneous refund. By reporting this as income, then subtracting it out, it has no effect on the gross pay for that paycheck. However, it will allow the system to tax the value of the insurance based on the tax status reflected on the system at the time of the payroll calculation. While your gross pay will remain unchanged for the periods in question, you will notice a reduction to your net pay due to the additional tax withholdings calculated on this benefit when applicable.