



DEPENDENT ELIGIBILITY FOR PRE-TAX TREATMENT OF STATE GROUP HEALTH INSURANCE PREMIUMS WORKSHEET

You may use this worksheet to help you determine if your domestic partner or your partner’s children qualify as a tax dependent for the pre-tax treatment of certain employee benefit deductions.

If a non-tax dependent is covered under State Group Health Insurance, the fair market value of the coverage attributed to the tax dependent(s) is considered taxable income to the employee (imputed income). Additional taxes due to imputed income can range from \$100 to several hundred dollars per month.

A domestic partner and his/her children are eligible for pre-tax treatment of State of Wisconsin Group Health Insurance premiums for *both* federal and state tax purposes if the requirements of a “qualifying relative” or “qualifying child” are met (defined below).

ELIGIBILITY REQUIREMENTS UNDER FEDERAL IRS CODE FOR PRE-TAX TREATMENT OF HEALTH INSURANCE PREMIUMS	
Tests to be a QUALIFYING RELATIVE	Tests to be a QUALIFYING CHILD
<p>In order for your domestic partner to be a tax dependent under federal and State of Wisconsin tax laws, they must meet the definition of a “qualifying relative” as described in IRS Publication 501.</p> <p>Generally, a person will qualify as your “qualifying relative” under IRC §152 if:</p> <ul style="list-style-type: none"> • The person is not your qualifying child or the qualifying child of any other taxpayer. • The person either: <ul style="list-style-type: none"> ○ Is related to you in one of the ways listed under Relatives who do not have to live with you, or ○ Must live with you all year as a member of your household (and your relationship must not violate local law). • You provide more than half of the person’s total support for the year. 	<p>Typically, a domestic partner’s child is a “qualifying child” of the domestic partner and is not a tax dependent of the employee.</p> <p>Generally, a child will qualify as your “qualifying child” under IRC §152 if:</p> <ul style="list-style-type: none"> • The child is your son, daughter, stepchild, foster child, brother, sister, half-brother, half-sister, stepbrother, stepsister, or a descendant of any of them. • The child is (a) under age 19 at the end of the year and younger than you (or your spouse if filing jointly), (b) under age 26*, or (c) any age if permanently and totally disabled. • The child lives with you for more than half of the year. <i>There are exceptions for temporary absences, children who were born or died during the year, children of divorced or separated parents (or parents who live apart), and kidnapped children.</i> • The child did not provide more than half of his or her own support for the year. • The child did not file a joint return for the year (unless that joint return is filed only to claim a refund of withheld income tax or estimated tax paid). <p>If the child(ren) meets the rules to be a qualifying child(ren) of more than one person, only one person can actually treat the child(ren) as a qualifying child(ren).</p>
<p><i>The IRS’s tests are described in detail in IRS Publication 501. Note: the gross income requirement in Publication 501 does not apply when determining the pre-tax treatment of insurance deductions (per IRS Notice 2004-79).</i></p>	<p><i>*The IRS’s tests are described in detail in IRS Publication 501. Note that 24-year old age limit does not apply to “qualifying child” when determining the pre-tax treatment of insurance premiums (per IRS Notice 2010-38).</i></p>

See the Tax Consequences tab on the [UW System Administration Domestic Partner webpage](#) for additional information about the potential tax consequences of domestic partnership coverage. Consult with your tax advisor or the IRS if you have questions on how the federal rules apply to your situation.

Important: Use of this form does not certify that a person qualifies as a dependent under federal Internal Revenue Code for federal income tax purposes. This worksheet is only to be used to assist you in determining whether a domestic partner and his/her children are eligible for pretax treatment of insurance premiums for State of Wisconsin Group Health Insurance. You must submit [Form UWS-55](#) to your institution’s benefits office before your tax status can be changed.

Worksheet to Determine if You Provide at Least Half of the Support to Your Domestic Partner and/or Their Children

Funds Belonging to the Person You Supported	
1.	Enter the total funds belonging to the person you supported, including income received (taxable and nontaxable) and amounts borrowed during the year, plus the amount in savings and other accounts at the beginning of the year. DO not include funds provided by the state; include those amounts on line 23 instead.
2.	Enter the amount on line 1 that was used for the person's support.
3.	Enter the amount on line 1 that was used for other purposes.
4.	Enter the total amount in the person's savings and other accounts at the end of the year.
5.	Add lines 2 through 4. (This amount should equal line 1.)
Expenses for Entire Household (where the person you supported lived)	
Lodging (complete line 6a or 6b):	
6.	a. Enter the total rent paid.
	b. Enter the fair rental value of the home. If the person you supported owned the home, also include this amount in line 21. <input type="checkbox"/> The person I support owns the home.
7.	Enter the total food expenses.
8.	Enter the total amount of utilities (heat, light, water, etc. not included in line 6a or 6b).
9.	Enter the total amount of repairs (not included in line 6a or 6b).
10.	Enter the total of other expenses. Do not include expenses of maintaining the home, such as mortgage interest, real estate taxes, and insurance.
11.	Add lines 6a through 10. These are the total household expenses.
12.	Enter total number of persons who lived in the household.
Expenses for the Person You Supported	
13.	Divide line 11 by line 12. This is the person's share of the household expenses.
14.	Enter the person's total clothing expenses.
15.	Enter the person's total education expenses.
16.	Enter the person's total medical and dental expenses not paid for or reimbursed by insurance.
17.	Enter the person's total travel and recreation expenses.
18.	Enter the total of the person's other expenses.
19.	Add lines 13 through 18. This is the total cost of the person's support for the year .
Did the Person Provide More Than Half of His or Her Own Support?	
20.	Multiply line 19 by 50% (.50).
21.	Enter the amount from line 2, plus the amount from line 6b if the person you supported owned the home. This is the amount the person provided for his or her own support.
22.	Is line 21 more than line 20? <input type="checkbox"/> No. You meet the support test for this person to be your qualifying child. If this person also meets the other tests to be a qualifying child, stop here; do not complete lines 23–26. Otherwise, go to line 23 and fill out the rest of the worksheet to determine if this person is your qualifying relative. <input type="checkbox"/> Yes. You do not meet the support test for this person to be either your qualifying child or your qualifying relative. Stop here.
Did You Provide More Than Half?	
23.	Enter the amount others provided for the person's support. Include amounts provided by state, local, and other welfare societies or agencies. Do not include any amounts included on line 1.
24.	Add lines 21 and 23.
25.	Subtract line 24 from line 19. This is the amount you provided for the person's support.
26.	Is line 25 more than line 20? <input type="checkbox"/> Yes. You meet the support test for this person to be your qualifying relative for pre-tax treatment of certain insurance benefits. <input type="checkbox"/> No. You do not meet the support test for this person to be your qualifying relative. You can't claim this person as a qualifying relative or child for the pre-tax treatment of insurance benefits.
<p>You may estimate the monthly imputed income by using the Monthly Imputed Income Tables at: https://uwservice.wisc.edu/imputed-income.php.</p>	