



Enrolling Your Domestic Partner, Registered Civil Union Partner and Children of Your Domestic Partner or Civil Union Partner in the Arkema Inc. Health and Insurance Plans

Eligibility

You may enroll your domestic partner (same or opposite sex), a registered civil union partner, along with their children for certain Arkema health and insurance plans. This kit provides information about enrolling your domestic partner, registered civil union partner and children thereof. It also outlines important tax implications associated with adding a domestic partner or civil union partner to coverage. Through this document, anywhere where we refer to domestic partner, the reference will also apply to an employee's registered civil union partner unless stated otherwise.

If you are eligible to enroll in Arkema health and insurance plans you may enroll your domestic partner who meets the following criteria:

Your eligible domestic partner/registered civil union partner (same or opposite sex) is defined as a person who is:

- At least 18 years of age,
- Not related to you by blood or a degree of closeness that would prohibit legal marriage,
- Exclusively living with you and has done so for the prior 12 months with the intent to do so indefinitely,
- Not married to someone else or engaged in another domestic partnership or civil union, as applicable; and
- Financially interdependent with you.

Your domestic partner's/civil union partner's children, up to age 26*, who are his/her:

- Biological children,
- Legally adopted children,
- Stepchildren,
- Children placed with your domestic partner for adoption; or
- Foster children (which include children placed with your domestic partner by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction).

*Note that coverage may continue beyond age 26 if your domestic partner's child was covered as a dependent under Arkema's benefits prior to his or her 26th birthday and is considered a disabled child under Arkema's health and insurance benefits. The approval process for enrolling a disabled dependent in coverage is found at this Aetna website:

<https://aetnaresource.com/n/Arkema>

Refer to your applicable Summary Plan Description for dependent eligibility details.



Eligible Benefits for Enrollment

Depending on which benefits you are eligible for and enrolled in, you may cover your eligible domestic partner (DP) and their children for the following benefits and/or programs, as applicable:

Benefit Plan / Program	When You Can Enroll
Medical (including Prescription Drug)	<ul style="list-style-type: none"> • Within 31 days of becoming newly eligible or experiencing a qualified life event, or during Annual Benefits Enrollment
Wellbeing Matters Program - Castlight	<ul style="list-style-type: none"> • If you enroll your Domestic Partner in benefits, they are eligible to enroll in the Wellbeing Matters program administered through Castlight. Your DP can earn a \$400 discount off your next year’s medical premium by participating and earning 2,000 points by November 1.
Dental	<ul style="list-style-type: none"> • Within 31 days of becoming newly eligible or experiencing a qualified life event, or during Annual Enrollment
Vision	<ul style="list-style-type: none"> • Within 31 days of becoming newly eligible or experiencing a qualified life event, or during Annual Enrollment
Spouse / Domestic Partner Life Insurance and Accidental Death & Dismemberment Insurance (AD&D)	<ul style="list-style-type: none"> • Within 31 days of becoming newly eligible or experiencing a qualified life event, or during Annual Enrollment
Voluntary Benefits (Critical Illness, Accident, Hospital Indemnity, Group Legal, ID theft and monitoring)	<ul style="list-style-type: none"> • At any time during the year for Identify theft and monitoring • Within 31 days of becoming newly eligible or experiencing a qualified life event, or during Annual Enrollment for Critical Illness, Hospital Indemnity, and Accident insurance

Important Reminder: Before-Tax Reimbursement under the Health Care Flexible Spending Account (HCFSA), Limited Purpose Flexible Spending Account (LFSA) and Dependent Care Flexible Spending Account (U.S. Active employees only)

Federal tax rules do not allow eligible out-of-pocket health care expenses for your non-tax dependent domestic partner or child of a domestic partner to be reimbursed through a HCFSA or LFSA.

If you have a debit card from Fidelity and use your health care FSA or limited purpose FSA funds, you cannot use the card to pay for expenses for your domestic partner or child of a domestic partner who is not your tax dependent. You are also prohibited from submitting paper claims against your account for these expenses.



Additionally, federal tax rules do not allow eligible out of pocket dependent care expenses for your non-tax dependent domestic partner or child of a domestic partner to be reimbursed through the Dependent Care Flexible Spending Account (DCFSA).

What You Need to Know about Taxes

Tax implications for you, your domestic partner, and their children can be complex. Unless your domestic partner and their children meet the definition of a “dependent” under Section 152 of the Internal Revenue Code (IRC), as modified by Section 105(b), the full value of health care coverage for your domestic partner and his/her children is considered taxable income to you. Arkema will take your employee contributions on a before-tax basis and will apply federal taxes to the full value of the coverage for your non-tax dependent domestic partner or domestic partner child(ren).

Usually State tax treatment of a domestic partner and their children will follow federal tax treatment; however, some states have specific tax treatment for domestic partners and their children. The payroll department will maintain the state and local tax treatment of the value of your domestic partner coverage. Please reach out to Payroll with any questions.

What is an IRC Section 152 dependent?

Requirements for an individual to satisfy the definition of a tax dependent are defined under Section 152 of the IRC. Your domestic partner qualifies as your tax dependent under IRC Section 152 if:

- You provide more than 50% of their financial support during the calendar year,
- They have lived with you for the entire calendar year,
- They are a citizen or national of the United States, or a resident of the United States,
- Your relationship is not in violation of any local laws; and
- They cannot be claimed as a “qualifying child” on anyone else’s tax return.

These same tests apply to determine whether your domestic partner’s child (if that child is not also your child or adopted child) is also your tax dependent.

IRS Tax Reporting

If your domestic partner and their children are not your IRC Section 152 tax dependents, as required by federal tax rules, Arkema will establish the value of the health coverage for your domestic partner and their children. This value will vary based on the coverage option for medical, dental or vision that you elect and whether you are covering a domestic partner and/or child who are not your tax dependent.

This amount is then included in your income when determining income and taxes and reported as taxable income to you on your W-2 and separately in box 14. The W-2 will be issued by Arkema.



To confirm the value of Arkema-provided health coverage options based on your coverage, call the Arkema Benefits Center.

You may wish to consult a tax professional for advice on your personal situation before you declare that your domestic partner (and/or their children) is your tax dependent as defined under IRC Section 152 on the *Declaration of Tax Status for Domestic Partner and/or Children of a Domestic Partner* form.

Once you determine if your domestic partner and children of your domestic partner are your tax dependents, you will need to provide this information to Arkema by completing the *Declaration of Tax Status for Domestic Partner and/or Children of a Domestic Partner* form. If this form is incomplete or not provided, then your Domestic Partner or DP child will not be considered your tax dependent and imputed income equal to the value of the cost of coverage will be added to your taxable income.

Important Information If You and Your Domestic Partner Marry

If you and your domestic partner subsequently marry, it is your responsibility to contact the Arkema Benefits Center to report a marriage life event update the dependent relationship code to spouse. If there are domestic partner children also covered and they now become your stepchild, you would update that relationship code as well. This will ensure the reporting of domestic partner related imputed income ends if applicable. You will need to upload proof of marriage to the enrollment website within 30 days following your marriage.

Your Contributions

For U.S. active employees:

If your domestic partner and their children are Section 152 dependents, your health benefit contributions (medical, dental and/or vision) for your domestic partner and their children will be made on a before-tax basis and NO domestic partner imputed income will be added to your earnings each pay.

Health benefit contributions for your domestic partner or children of a domestic partner who are not your tax dependents will also be made on a before-tax basis; however, the full value of their coverage will be added as imputed income. In addition, unless your domestic partner and their children are Section 152 tax dependents, under federal tax rules, their health care and dependent care expenses will not be eligible for reimbursement through the flexible spending accounts (Health Care, Limited Purpose, and Dependent Care Accounts).

Note: If you are covering more than one child and at least one child is your tax dependent, there will be no imputed income added for the value of the child's coverage.

For Retirees:

Coverage for domestic partners and any domestic partner children, is not offered under the Arkema Pre-65 Retiree Medical. Any dependents who are losing coverage for a COBRA qualifying reason will be offered continuation of benefits under COBRA.



How to Enroll Your Domestic Partner and His/Her Eligible Children

1. Review the information in this kit and consider consulting a tax advisor.
2. You can enroll your domestic partner and their eligible children in Arkema benefits in one of two ways:
 - a. **Report a life event or complete your open enrollment election via the myplansconnect.com/arkema enrollment website; OR**
 - b. **Initiate Enrollment via an Arkema Benefits Center Representative. The steps are the same regardless**
 - i. Step 1: Add your domestic partner, registered civil union partner and any children as dependents
 - ii. Step 2: Complete the *Affidavit of Domestic Partner Form* and upload proof of domestic partnership or registered civil union to the myplansconnect.com/arkema website under Forms and Documents, Upload Documents.
 - iii. Step 3: Complete the *Declaration of Tax status of Domestic Partner and/or children of Domestic Partner*. Indicate the tax dependent status of each dependent as a Section 152 tax dependent= Y or NOT a Section 152 tax dependent= N. A new form should be uploaded at a later date if your domestic partner and/or their child becomes your tax dependent after initial enrollment.
 - iv. Step 4: If your form(s) are complete and accepted, you will receive an email with a link to the confirmation statement showing the addition of your domestic partner and/ or child to coverage. You can also view the status of your dependents at myplansconnect.com/arkema under Health & Benefits, Your Benefits Summary, where it shows your covered dependents and the benefits they are covered under.
 - v. Step 5: Payroll deductions will be updated. If your Domestic partner and / or domestic partner children are not your tax dependents, domestic partner imputed income will also be added to your income on your paystub in the earnings section.
 - vi. Step 6: Make sure to upload proof of shared residence and financial interdependence to the website. If you do not add needed proof of domestic partnership within 60 days of adding your domestic partner to coverage, their coverage will end on day 61 and you won't be able to add them until the next open enrollment. We also reserve the right to recoup the cost of any claims paid on behalf of a dependent you never verified.

Where can I find the Domestic Partner Forms referred to above?

The Domestic Partner Affidavit and the Declaration of Tax Status for Domestic Partner and/or Children of Domestic Partner are posted on the myplansconnect.com/arkema website. They are also posted under Documents and Resources under the 'burger' drop down menu on benefits.arkema.com.



When to Enroll or Make Changes to Update Your Arkema Health and Insurance Coverage

You may elect coverage for your eligible domestic partner and his/her children only during Annual Enrollment or within 31 days of one of the following events:

- You and your domestic partner **first** become eligible (that is, upon joining Arkema or if you are a current employee and are in a new domestic partner relationship).
- Your domestic partner loses other group health coverage.

You may drop coverage for your domestic partner and his/her children only during Annual Enrollment or within 31 days of a qualified life event, such as the termination of your domestic partnership or civil union. It is your responsibility to report any changes in your dependents. Changes must be reported within 31 days of the event to the Arkema Benefit Center. **Failure to report that your domestic partner or his/her children are no longer with you or that they are no longer eligible, may result in disciplinary action up to and including termination of employment. Additionally, you will be responsible for repaying any claims paid from the effective date of the eligibility status change.** For your information on life events and how they impact your benefits, go to myplansconnect.com/arkema and *click the box on the left side for Report a Life Event. Select the type of event on the next screen.*

Ending or termination of your domestic partnership is considered a COBRA qualifying event for Arkema on the same basis as a divorce.

If you have questions, call the Arkema Benefits Center at 1-800-406-9823, Monday to Friday, 9 a.m. to 6 p.m. Eastern and follow the prompts.

Action May Be Required: Important Note about Medicare for Active Colleagues

If your domestic partner is currently age 65 or older or otherwise eligible for Medicare because he/she is disabled or becomes eligible for Medicare during your employment with Arkema, Medicare will be his/her primary insurance coverage, and Arkema coverage will be secondary, regardless of his/her employment status.

Additionally, if your domestic partner is also employed with coverage through his/her employer, his/her employer coverage would pay first, Medicare second, and Arkema would be the tertiary coverage. This is because the coordination of benefits rules that apply to a legal spouse under the Medicare Secondary Payer Act do not apply for domestic partnerships. Therefore, you will need to take action to enroll your domestic partner in Medicare. Additionally, should your domestic partner not enroll in Medicare Part B as of his/her initial date of eligibility, Medicare may assess the Part B late enrollment penalty, which will continue each month he/she is enrolled in Medicare. For more information or to contact Medicare, visit [medicare.gov](https://www.medicare.gov) or call 1-800-medicare (1-800-633-4227).

Note: If your employment ends for any reason and you are age 65 or older or otherwise eligible for Medicare, Medicare becomes the primary carrier for you and your Medicare-eligible dependents under Arkema's medical plans as of the end of the month in which your employment ends.



What happens if I am covering a domestic partner or a domestic partner's child and my employment and coverage ends?

Your enrolled domestic partner and domestic partner child(ren) that are covered at the time your eligibility for active benefit coverage ends will be offered COBRA continuation benefits on the same basis as is offered to other dependents who lose coverage.

If you are covering your dependents under other supplemental health or life insurance benefits and your employment ends, you have the right to exercise portability on the coverage for your domestic partner and/or any domestic partner child you are covering like any other employee who is ending employment.

What if I am covering a domestic partner and / or a domestic partner's child and I retire with eligibility for Pre65 Retiree Medical?

Coverage is not offered for domestic partners and/or domestic partner children under the Arkema or Bostik Legacy Pre65 Retiree Medical Plan or under the retiree dental or vision plans offered to eligible Bostik Legacy retirees.