



Frequently Asked Questions and Tax Implications GVSU Household Member Program

Why did Grand Valley State University expand our benefit plans to include a household member?

This program, effective September 2008, was developed to help further the GVSU Mission, Values and Strategic Plan. The program will also support the recruitment and retention efforts of the University in an effort to keep us competitive with other public universities who already offer similar benefits to their faculty and staff.

Which faculty/staff members are eligible to add coverage for a household member?

All faculty/staff members already eligible for health care benefits through Grand Valley State University.

Who is considered an eligible household member?

Under the Household Member program, a GVSU faculty/staff member who does not already enroll a spouse in the health or other benefit plans may enroll one adult individual for benefit coverage. To receive benefits for a household member, you will need to sign an Affidavit certifying, among other items, that the household member:

- at the time of proposed enrollment, resides in the same residence as the faculty/staff member and has done so for the previous 18 continuous months
- is not a child of the faculty/staff member and their descendents (children, grandchildren)
- is not a parent of the faculty/staff member
- is not a parents' other descendents (siblings, nieces, nephews)
- is not a grandparent or their descendents (aunts, uncles, cousins)
- is not a renter, boarder, or tenant

Faculty/staff members who wish to add a member of their household under the program must contact Human Resources/Benefits to determine eligibility. Call the Benefits Hotline at (616) 331.2220 for more information.

Are children of my household member eligible for coverage?

Children of a Household Member are also eligible for this benefit if they are members of the faculty/staff member's household and meet IRS dependent criteria as well as university dependent coverage policy (up to age 26, or up to age 27 while a student).

Will all of the GVSU benefits be available to a household member?

Yes. The same benefits currently offered to spouses and dependent children of Grand Valley State University faculty/staff member will be offered to a household member.

What has changed for household members as a result of the Supreme Court ruling in Obergefell v. Hodges in 2015?

The Supreme Court in Obergefell v. Hodges, holds that the Fourteenth Amendment's equal protection clause prohibits states from denying marriage licenses to its citizens. The ruling also requires states to recognize the same-sex marriages of other states. As a result of the ruling we will not apply any additional state tax withholding or payroll deductions for faculty/staff members that have a valid marriage license.

What if I don't have a valid marriage license?

If you don't have a valid marriage the additional tax withholding and payroll deduction will still apply.

Are there other changes in Grand Valley State University policies and benefits due to the inclusion of a household member?

Yes. Other benefits and policies that apply to household members include: Tuition Reduction, Supplemental Life Insurance, GVSU Retiree Medical Program, Long-Term Care, COBRA, FMLA, Bereavement Leave, Adoption Assistance, Employee Assistance Program, Recreation/Wellness Center. Consult the appropriate Administrative Manual, Handbook, Collective Bargaining Agreement or specific benefit plan document for more details.

How do I enroll for household member healthcare coverage?

During the annual Open Enrollment period you must log-in to the eBenefits enrollment site and follow the prompts found in the Dependent section.

How would I add a household member outside of open enrollment?

Outside of the open enrollment period, a faculty/staff member must have a “qualified event” to add a household member. A “qualified event” includes, attaining the 18 month residency requirement, loss of other benefit coverage, employment change affecting benefit eligibility, birth or adoption of child, death, etc. Contact Human Resource/Benefits within 30 days of an event at (616) 331 2220 for more information.

Can I add a household member only to certain plans?

If you have an eligible household member, you may choose to enroll them in any of the same health and dental benefit options you are currently enrolled in. Your household member does not need to be enrolled in medical coverage to participate in dental or vision coverage. For example, you may choose to enroll them in dental coverage only.

Regardless of their election for coverage in the health or dental benefits, an eligible household member may participate in any of the other benefit options, such as the tuition reduction program or the Recreation/Wellness Center.

Is my household member eligible for reimbursement through the Health Savings Account (HSA) or Flexible Spending Account Program?

Yes, for same-sex and opposite-sex couples legally married. No, for same-sex and opposite-sex household members who are not legally married.

How is my paycheck affected by adding a household member?

According to IRS regulations same-sex and opposite-sex household members who are not legally married are treated differently for tax purposes than other dependents in a benefit plan. The benefits provided are considered taxable to the faculty/staff member. Two items will change on your paycheck:

1. A portion of your per pay period faculty/staff contributions for coverage will be taken as an after tax deduction. The IRS does not permit a pre-tax deduction.
2. The “fair market value” of GVSU’s cost for insurance coverage (the amount GVSU pays for coverage) will be considered taxable income to the faculty/staff member. The “fair market value” is the cost of insurance to add one dependent to our plan. This amount will show as “imputed income” on your paycheck and the total amount will be added to your W-2 Form at year-end. You pay taxes on the value of the household member coverage provided by GVSU.

The following chart shows the amounts for 2019 that will be deducted from your paycheck on an after-tax basis and the imputed income amount added to your W-2 Form:

**GVSU Household Member Program
2019 Individual Tax Implication**

Plan	Additional Payroll Deduction (After Tax)*		IRS Imputed Income Included As Taxable Income**			Annual IRS Taxable Basis***	15% Tax Rate		20% Tax Rate		25% Tax Rate		30% Tax Rate	
	26 & 24 Pay Periods	18 Pay Periods	26 Pay Periods	24 Pay Periods	18 Pay Periods		Estimated Additional Annual Tax****	Estimated Annual Cost (Addl. Deduct + Est. Tax)	Estimated Additional Annual Tax****	Estimated Annual Cost (Addl. Deduct + Est. Tax)	Estimated Additional Annual Tax****	Estimated Annual Cost (Addl. Deduct + Est. Tax)	Estimated Additional Annual Tax****	Estimated Annual Cost (Addl. Deduct + Est. Tax)
GVSU Standard PPO	\$55.50	\$74.00	\$204.29	\$221.32	\$295.09	\$6,643.56	\$1,793.76	\$3,125.76	\$2,125.94	\$3,457.94	\$2,458.12	\$3,790.12	\$2,790.30	\$4,122.30
GVSU HD/HSA PPO	\$0.00	\$0.00	\$213.36	\$231.14	\$308.19	\$5,547.36	\$1,497.79	\$1,497.79	\$1,775.16	\$1,775.16	\$2,052.52	\$2,052.52	\$2,329.89	\$2,329.89
Delta Dental	\$2.95	\$3.93	\$10.88	\$11.79	\$15.71	\$353.64	\$95.48	\$166.28	\$113.16	\$183.96	\$130.85	\$201.65	\$148.53	\$219.33
Vision	\$3.35	\$4.47	n/a	n/a	n/a	n/a	\$21.71	\$102.17	\$25.73	\$106.19	\$29.75	\$110.21	\$33.77	\$114.23

*Calculated as the difference between Dual and Single Coverage Rate for each Plan.

**Calculated as the difference between the Fair Market Value (FMV) and the Faculty/Staff after-tax payroll deduction for each Plan.

***IRS imputed income plus additional payroll deduction (after tax).

****Based on stated Federal Tax Rate, FICA, MQFE and MI state tax. Your individual additional tax is based on your specific tax rates.

To see the impact on your pay check to go www.paycheckcity.com and enter your specific information.