BENEFITS ELIGIBILITY—SPECIAL SITUATIONS

Harvard offers benefit programs for the following:

• Out-of-State Employees
• Separated Employees via COBRA
• Domestic Partners
• Ex-spouse

OUT-OF-STATE EMPLOYEE ELIGIBILITY

If you have an out-of-state home address, you may not be eligible to participate in all health plans. Please check with Harvard Pilgrim Health Care (HPHC) or Harvard University Group Health Plan (HUGHP) to see if a specific plan is available in your area.

<table>
<thead>
<tr>
<th>TO CHOOSE THIS MEDICAL OPTION:</th>
<th>YOU MUST:</th>
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<tbody>
<tr>
<td>HPHC HMO</td>
<td>Live in the defined HMO service area</td>
</tr>
<tr>
<td>HUGHP HMO</td>
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<tr>
<td>HPHC POS (including POS Plus)</td>
<td>No region/address restrictions</td>
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<tr>
<td>HUGHP POS (including POS Plus)</td>
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<tr>
<td>HPHC PPO*</td>
<td>Live outside of Massachusetts</td>
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<tr>
<td>HPHC High Deductible Health Plan (HDHP)**</td>
<td>No region/address restrictions</td>
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<tr>
<td>HUGHP HDHP**</td>
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*Only open to members of certain unions: Local 26 and SEIU Arboretum.
**Not open to employees covered by a union.

SEPARATED EMPLOYEE ELIGIBILITY—COBRA

If your Harvard coverage ends for you or your covered dependents, you may qualify to continue your current medical, dental and vision coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Qualifying events include voluntary or involuntary termination (for reasons other than gross misconduct) or a loss of benefits eligibility.

• COBRA coverage is available for up to 18 months, and certain events may allow a spouse or child to be covered up to 36 months.
• COBRA covers you and any qualified dependents that were covered under your medical, dental, or vision plan as of your last day of benefits eligibility.

Your dependents may be eligible for COBRA—even if you are continuing your Harvard coverage—in certain qualifying circumstances. For example, spouses are eligible for coverage in the case of divorce or legal separation from the covered employee. Children are eligible upon turning age 26. Dependents are also eligible in the event of the death of the covered employee.
Enrolling in COBRA

When your regular coverage ends, Benefit Strategies, LLC (BSL) will send you a COBRA packet explaining the cost and your potential length of enrollment. If you choose to enroll in COBRA, you must do so within 60 days from the date you lost coverage. Your enrollment will be retroactive to the date on which you lost coverage.

Once you are enrolled in COBRA, you will be billed directly by BSL. Non-payment of bills will cause your COBRA coverage to end. For more detailed information and FAQs, visit the BSL site.

The full cost of the coverage is 100% of the group rate of health or dental premiums, plus a two percent administrative fee. Harvard provides time-limited subsidies in the case of layoff or death of a covered employee.

To view COBRA rates: Go to Forms & Documents > Total Rewards > Health Plan Rates

DOMESTIC PARTNER ELIGIBILITY

To cover opposite-sex or same-sex domestic partners under your medical, dental or vision care plan, you and your partner must be registered with a municipality that allows formal registration of domestic partnerships. Locally, Boston, Brookline and Cambridge register domestic partnerships.

Once registered, you will have 30 days to enroll your partner in benefits. You will need to submit a copy of the Certificate of Domestic Partnership as well as the Harvard Statement of Domestic Partnership signed by you and your domestic partner.

Tax Information Related to Domestic Partnerships

There are special tax considerations (described below) for employees covering a domestic partner under Harvard’s benefits. For more information, call Benefits at 617-496-4001.

Federal tax law considers the fair market value of coverage for non-qualified dependents as imputed income. Income that is imputed on medical and/or dental insurance coverage for a non-qualifying individual is subject to federal income tax and employment tax (FICA and Medicare) withholding, as well as state income tax as applicable. This withholding reduces your net income.

Employee Plus Domestic Partner and Children

• If you are covering one or more children, all of whom qualify as tax dependents as defined by the IRS, you will pay taxes on the cost of the individual coverage.

• If you are covering multiple dependent children, and not all of them qualify as tax dependents as defined by the IRS, you will have income imputed on the value of the family rate minus the individual rate.

Domestic Partner As Qualified Tax Dependent

If you are covering only qualified tax dependents (including a domestic partner), the IRS rules permit you to exclude from your income any amounts provided for medical, dental and/or vision insurance coverage for qualifying dependents. This means your full medical, dental and vision plan contributions will be pretax and no additional income will be imputed.

The University follows the IRS definition of a qualified dependent to determine imputed income amounts. If you have a qualified dependent and have not previously notified the Benefits Office, have any questions, or need any paperwork, please contact the Benefits Office at 617-496-4001.

Additional Resources

• Domestic Partnership form (PDF)

• FAQ on Tax Issues Affecting Domestic Partners and Civil Unions

• Go to Forms & Documents > Total Rewards > Domestic Partners
Tax Information for Employees Covering a Domestic Partner

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<tr>
<th>IF YOU COVER A DOMESTIC PARTNER AND:</th>
<th>YOUR TOTAL PREMIUM</th>
<th>YOUR IMPUTED INCOME</th>
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<tr>
<td></td>
<td>YOUR PRE-TAX DEDUCTION</td>
<td>YOUR POST-TAX DEDUCTION</td>
</tr>
<tr>
<td>No children or qualified children</td>
<td>Family premium cost minus the individual premium cost</td>
<td>+ Individual premium</td>
</tr>
<tr>
<td>Non-qualified children</td>
<td>Individual premium</td>
<td>+ Family premium cost minus the individual premium cost</td>
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EX-SPOUSE ELIGIBILITY

If your spouse is enrolled in your coverage when you divorce, he/she may continue coverage under Harvard’s medical and/or dental plans if you do not have a current spouse. However, according to federal income and employment tax rules, if an employee’s ex-spouse is not the employee’s tax dependent for health coverage purposes, then the fair market value of the ex-spouse’s Harvard medical and/or dental plan coverage is added to (imputed into) gross income and wages.

The fair market value equals Harvard’s contribution to the cost of individual medical and/or dental plan coverage, which depends upon an employee’s salary tier. In addition, the individual portion of the coverage for a former spouse will be deducted from pay on an after-tax basis.

Please refer to the Chart of Contribution Costs for Medical and Dental Coverage for an Ex-Spouse for important cost details. Be sure to verify the correct rates for your employee type.

If you remove your ex-spouse from your coverage, you cannot reenroll your ex-spouse at a later date.

To access forms, rate charts, and other resources, visit hr.harvard.edu and click on the Policies, Forms & Contracts tab, then select Forms & Documents.