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Providing Domestic Partner Benefits to City Employees

Background

- The Human Rights Campaign's most recent State of the Workplace report notes that 145 cities and counties in the United States provide domestic partner health benefits to their employees¹. In Delaware, this includes the city of Wilmington and county of New Castle. In addition, 16 states and the District of Columbia provide domestic partner benefits to their employees.² A majority of Fortune 500 companies provide domestic partner benefits to employees. "The University of Delaware extends same-sex domestic partner benefits to employees in a University-recognized same-sex domestic partnership. Same-sex domestic partner benefits are equivalent to spousal and dependent benefits except for health insurance, the terms of which are determined by the State of Delaware."³
- A number of private Delaware employers provide domestic partner benefits, such as Accenture, ACME Markets/Albertson's, Aetna US Healthcare, Agilent Technologies, Allstate Insurance, American Express, American Financial, American International Group, American Red Cross, AstraZeneca, AT&T, Bank of America, Barclay Bank, Barnes & Noble, BGI Group (Borders Books & Music), Beyond Petroleum, CIGNA, Citigroup, Comcast, Connective/Pepeco Holding, Costco, CVS, Discover Bank/Morgan Stanley, DuPont, Episcopical Diocese of Delaware, Federated Department Stores, Gannett (The News Journal), Gap, Happy Harry's/Walgreens, Home Depot, HSBC USA, JC Penney, JP Morgan Chase, Kinko's, Marriott International, McDonald's, The Nature Conservancy, Nemours – AI DuPont Hospital, Pathmark Stores, PNC Financial Services Group, Ryder System, Sears Holding Corp, Shell Oil, Staples, United Parcel Service, Verizon Communications, Wawa, Widener Law School, Wilmington Trust, and W.L. Gore.
- State representative Terry Schooley plans to introduce legislation this year that would make the domestic partner of a state officer, employee, or pensioner entitled to the same benefits provided to spouses. House Bill 5 has no financial note attached for Fiscal Year 2010 or Fiscal Year 2011. Instead, "for Spousal Equivalent coverage, the state shall pay none of the COBRA-equivalent cost in fiscal years 2009 and 2010, the employee will pay 100%; the state shall pay 50% of the COBRA-equivalent cost commencing July 1 2011; the state shall pay 75% of the COBRA-equivalent cost commencing July 1, 2012; the state shall pay 100% of the cost commencing July 1, 2013".
- The City of Wilmington has offered same-sex domestic partner benefits to employees since 2005 and domestic partner benefits to both same-sex and opposite-sex partners since 2006. Four employees currently take advantage of the domestic partner benefits program. Overall, the City of Wilmington has about 700 employees currently taking advantage of spousal benefits and 1100 total employees.

¹ http://www.hrc.org/documents/State_of_the_Workplace.pdf, p. 21. HRC also maintains a database that provides specific information as to each city and county providing benefits. Please see:

http://www.hrc.org/issues/workplace/search_employers.htm

² Please see http://www.hrc.org/documents/Employment_Laws_and_Policies.pdf

³ <http://www.udel.edu/Benefits/menu/dp.html>

- New Castle County has offered domestic partner benefits for over seven years to both same-sex and opposite sex partners. Twenty-five employees currently take advantage of the domestic partner benefits program. Overall, New Castle County has about 775 employees who take advantage of spousal benefits and has 1503 full-time employees.
- Offering domestic partner benefits is a plan design change in city benefits. Therefore, it must be approved by the labor-management insurance committee. The committee consists of a representative from each union and one from management, the Director of Finance and the City Manager or designee. Any proposed change requires four votes to pass. The committee will meet again in June 2009 to consider any design changes to be implemented January 1, 2010.

Why provide domestic partner benefits to employees?

- It's simply about **equal treatment, equal pay for equal work**, and providing **equal benefits** to all employees. Employers compensate employees through more than just their wages: employees receive important benefits such as health insurance, which are traditionally also made available to an employee's spouse. **When gay and lesbian employees, who are not legally permitted to marry, are not offered access to benefits for their partner, they are simply not receiving equal compensation as compared with their straight co-workers who can place a spouse on their insurance plan.**
- **Providing equal benefits to gay and lesbian employees makes for happier, more productive employees** who, recognizing that their work is equally valued and compensated, are more likely to be retained. Several studies have shown that enrollment rates tend to be in the 1 percent to 2 percent range. Employers that offer benefits to opposite-sex couples as well will experience enrollment rates at the higher end of this range. Offering domestic partner benefits also puts the employer in a stronger position when recruiting new employees.
- **The cost of providing domestic partner benefits has generally been quite low.** In 2005, 64% of employers providing partner benefits reported that providing these benefits constituted less than 1% of their total benefits cost. 88% reported that providing partner benefits constituted less than 2% of their costs.⁴ The City of Newark's benefits consultant has learned from Blue Cross Blue Shield that they would probably increase the city's future premiums by about 1% depending upon the definition of "domestic partner." If it is limited to same sex couples, that amounts to a \$26,000 increase at current rates.

What are domestic partner benefits?

- Although the focus is often on health benefits (as is the focus of the information above), domestic partner benefits can include medical and dental insurance, as well as disability and life insurance, pension benefits, family and bereavement leave, education and tuition assistance, credit union membership, relocation and travel expenses, and inclusion of partners in company events. For the same reasons that it is important to offer domestic partner health benefits, it is important to offer domestic partners all benefits available to spouses: offering these benefits provides equal treatment for gay and lesbian employees who are not legally permitted to marry, builds morale among gay and lesbian employees (as well as straight employees who support equal treatment for their co-workers), and helps with employee recruitment.

⁴ Please see http://www.hrc.org/documents/State_of_the_Workplace.pdf, p. 13.