2024 Domestic Partner Health Coverage
Taxable Income and Incremental Costs

Along with sharing the cost of your health care coverage with MIT, there are additional financial and tax implications to consider with a domestic partner. The Internal Revenue Service (IRS) has determined that MIT's cost of providing benefits for a domestic partner and their children is considered "imputed income," which means it is subject to state and federal taxes, including Social Security and Medicare (aka "FICA') taxes.

MIT must report the fair market premium value (FMV) of benefits provided to an employee's domestic partner and to the domestic partner's children as additional wages or "imputed income" to the IRS, resulting in increased taxable gross income for federal and state income taxes.

The following charts show the semimonthly and weekly employee premiums, as well as the FMV of domestic partner benefits based on level of coverage for the BCBS PPO+ Plan and High Deductible Health Plan (HDHP). The imputed income tax for each pay frequency is determined by using the amounts in the 2024 Fair Market Value of Domestic Partner Benefits column.

2024 Staff and Faculty Semimonthly Premiums		
Enrolled Plan and Level of Coverage	**Employee Premium**	**Fair Market Value of Domestic Partner Benefits**
BCBS PPO+ Plan		
Employee + Domestic Partner	$ 288.50	$ 459.50
Employee + Employee's Children + Domestic Partner	$ 379.50	$ 459.50
Employee + Domestic Partner + Domestic Partner's Children	$ 379.50	$ 826.00
Employee + Employee's Children + Domestic Partner + Domestic Partner's Children	$ 379.50	$ 826.00
High Deductible Health Plan (HDHP)		
Employee + Domestic Partner	$ 212.50	$ 422.50
Employee + Employee's Children + Domestic Partner	$ 274.00	$ 422.50
Employee + Domestic Partner + Domestic Partner's Children	$ 274.00	$ 760.50
Employee + Employee's Children + Domestic Partner + Domestic Partner's Children	$ 274.00	$ 760.50

2024 Support and Service Weekly Premiums		
BCBS PPO+ Plan		
Employee + Domestic Partner	$ 127.38	$ 212.08
Employee + Employee's Children + Domestic Partner	$ 169.38	$ 212.08
Employee + Domestic Partner + Domestic Partner's Children	$ 169.38	$ 381.23
Employee + Employee's Children + Domestic Partner + Domestic Partner's Children	$ 169.38	$ 381.23
High Deductible Health Plan (HDHP)		
Employee + Domestic Partner	$ 92.31	$ 195.00
Employee + Employee's Children + Domestic Partner	$ 120.69	$ 195.00
Employee + Domestic Partner + Domestic Partner's Children	$ 120.69	$ 351.00
Employee + Employee's Children + Domestic Partner + Domestic Partner's Children	$ 120.69	$ 351.00

How the Imputed Income Tax is Calculated

The below example estimates imputed income tax for a semi-monthly paid employee with a 15% federal tax rate, who enrolls their domestic partner under the BCBS PPO+ Plan and the Comprehensive Dental Plan. Note an employee's actual imputed income tax is calculated using the federal tax rate determined based on their taxable wages and reported exemptions.

Semi-Monthly Premiums	
Medical (BCBS PPO+ Plan):	$ 459.50
Dental (Comprehensive):	$ 26.00
Total FMV Premium Medical + Dental:	$ 485.50

Semi-Monthly Tax Calculations		
Social Security Tax (6.20%):	$485.50 x 0.062 =	$ 30.10
Medicare Tax (1.45%):	$485.50 x 0.0145 =	$ 7.04
Federal Income Tax (15.00%):	$485.50 x 0.15 =	$ 72.83
MA Income Tax (5.20%):	$485.50 x 0.052 =	$ 25.25
Total Imputed Income Tax:		$ 135.22

This example uses the Fair Market Value of Domestic Partner Benefits for medical and dental coverage to calculate the imputed income tax amount. The total fair market value of the enrolled plans is multiplied by the applicable federal, state, and FICA taxes to determine how much this employee should expect to pay in additional taxes on a semi-monthly basis when the domestic partner is enrolled under the employee's MIT health plans