Federal Tax Implications for Domestic Partners

- Domestic partners do not qualify as spouses under the federal tax code for purposes of health care coverage. As a result, unless your domestic partner qualifies as your health care tax dependent, the total premium paid by both you and Amazon for your domestic partner’s health care coverage must be included in your gross income.
- If your domestic partner’s child is not (1) also your biological child, adopted child or child placed for adoption, foster child, or stepchild; or (2) your health care tax dependent, the total premiums paid by both you and Amazon for the child’s health care coverage must also be included in your gross income.
- The amount that must be included in your gross income is not the same as the amount for which you are responsible representing your portion of premiums under the plan. Instead, it represents both the portion for which you are responsible plus any amount covered by Amazon and equals the cost of COBRA coverage minus the 2% administration fee.
- You will not receive this amount in cash. Instead, it will be imputed to you and reported on your annual IRS form W-2.
- The specific amount of your imputed income depends on the plan in which your domestic partner and his or her children are enrolled.
- Imputed income increases your gross income for federal income taxes as well as for FICA (Social Security and Medicare) taxes withheld from your paycheck. If you would like additional information on imputed income and its effect on your federal taxes, please visit the IRS’s website at www.irs.gov.
- Imputed income may impact your state income taxes as well. Please see your personal tax advisor regarding any potential implications that may apply to your specific circumstances based on your state of residence.