



# SPECIAL Alert

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*In this first Special Alert for 2012, we provide an overview of Michigan's Public Employee Domestic Partner Benefit Restriction Act.*

*This Act was signed into law on December 22, 2011. It bars most public employers from offering medical benefits to domestic partners.*

*The new Act only applies to public employers as allowed by constitutionally allocated powers. This seems to exclude public universities and members of the classified state civil service.*

*This Act does not apply to private employers in the state of Michigan.*

*We welcome your comments and suggestions regarding this issue of our Special Alert. For more information on this article, please contact your Account Manager or visit the McGrawWentworth web site at [www.mcgrawwentworth.com](http://www.mcgrawwentworth.com).*

## "Michigan's Public Employee Domestic Partner Benefit Restriction Act"

Governor Snyder signed the Public Employee Domestic Partner Benefit Restriction Act into law on December 22, 2011. The new law is effective as of that day. However, for collective bargaining agreements that stipulate coverage for domestic partners, the effective date is delayed until the contract expires or is amended, extended or renewed.

Under the new law, public employers can't provide medical benefits or other fringe benefits to an individual living with a public employee, unless the individual is one of the following:

1. The legal spouse of the employee
2. A dependent of the employee as defined by the Internal Revenue Code
3. An individual otherwise eligible to inherit from the employee under the laws of intestate succession in Michigan

A complicated way to say domestic partners are no longer eligible for certain benefits under public employer plans. These benefits include medical benefits. Medical benefits are defined as medical, vision, and dental benefits. This includes hospital and

physician services, prescription drugs and related benefits.

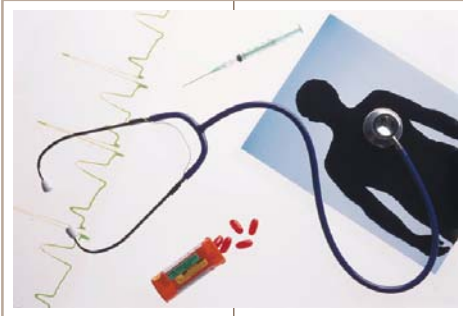
A public employee is defined as:

- A person holding a position by appointment or employment in the government of Michigan
- A person holding a position in the government of one or more political subdivisions of Michigan
- A person holding a position in public school service
- A person holding a position in a public or special district
- A person holding a position in the service of an authority, commission, or board of Michigan or a political subdivision of Michigan
- A person holding a position in any other branch of public service



The Act **only** applies to public employers as allowed by constitutionally allocated powers. Governor Snyder has indicated that this new law does not apply to public universities because they have constitutional autonomy. In addition, it appears not to apply to members of the classified state civil service, because the Civil Service Commission has constitutional authority for setting compensation and benefits for these workers.

The American Civil Liberties Union (ACLU) has indicated they will challenge this new law. The ACLU is expected to file a lawsuit soon. It will likely take time for this lawsuit to work through the legal system. In the meantime, public employers should comply with the Act when required.



For many public employers, coverage for domestic partners is dictated by a collective bargaining agreement. These employers will need to terminate coverage for domestic partners when the current contract expires.

This Act has no impact on private employers. Private employers in the state of Michigan may continue to offer coverage to domestic partners.

age to domestic partners.

Please contact your McGraw Wentworth Account Director with any questions. **MW**

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McGraw Wentworth, Inc.

3331 West Big Beaver Road, Suite 200  
Troy, MI 48084

Telephone: 248-822-8000 Fax: 248-822-4131  
[www.mcgrawwentworth.com](http://www.mcgrawwentworth.com)

250 Monroe Ave. NW, Suite 400  
Grand Rapids, MI 49503

Telephone: 616-717-5647 Fax: 248-822-1278  
[www.mcgrawwentworth.com](http://www.mcgrawwentworth.com)

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