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 Phone 907-274-7526 Fax 907-222-2556

|                        |       |            |
|------------------------|-------|------------|
| Last Name              | First | M.         |
| Social Security Number |       | Work Phone |

## Statement of Financial Interdependence

Before completing this Statement, the member and the partner should consult an attorney and tax advisor with regard to the possible legal and tax consequences of signing this statement. To enroll FIPs and/or dependents on the health care plan, you must also complete the dependent enrollment form,

### I. Request for Benefits and Declaration of Eligibility

We, \_\_\_\_\_ and \_\_\_\_\_  
(Please print or type names)

request Public Education Health Trust benefit coverage based on financial interdependency and declare that we meet all the following criteria:

- \* We have been in an exclusive personal relationship with each other for at least the last twelve consecutive months and intend to continue the relationship indefinitely; and,
- \* We have resided together at the same primary residence for at least the last twelve consecutive months and intend to reside together indefinitely; and,
- \* We consider ourselves to be members of each other's immediate family; and,
- \* We are not related to a degree of closeness such that Alaska law would preclude us from being married to each other; and,
- \* Neither of us are married or a member of another qualified financially interdependent relationship; and,
- \* We are each at least 18 years old and are competent to enter into a contracts; and,
- \* We are each responsible for the common welfare of the other; and,
- \* We share financial obligations including responsibility for each other's health care costs.

In addition, we meet at least five of the following criteria:

- joint purchase or lease of real property;
- joint ownership of a motor vehicle;
- joint bank account or joint credit account;
- the partner is named as beneficiary for life insurance;
- the partner is named as primary beneficiary for the TRS or PERS in the event of the member's death;
- the partner is named as primary beneficiary in the employee's will and/or the member is named as primary beneficiary in the partner's will;
- pursuant to a valid written power of attorney, the partner has the authority to deal with property owned by the member;
- the member has given written authority to the partner to make decisions concerning the member's health and well being in the event of the member's inability to do so.

**Note:** The Plan requires documentation of financial interdependency. Attach copies of documents verifying the five criteria met above; one of the documents must establish the relationship has been in existence for at least 12 months. This could include copies of contracts, bank account statements, joint property agreements or other documents providing verification of above statements.

### II. Changes in Financially Interdependent Relationship

We agree to notify the Plan in writing within 30 days of any change in our status which would make us no longer eligible for benefit coverage based on being financially interdependent (for example, if we no longer share the same principle residence).

### III. Partner Tax Status

|      |       |               |                         |
|------|-------|---------------|-------------------------|
| Last | First | Date of Birth | IRS Dependent<br>YES/NO |
|------|-------|---------------|-------------------------|

### IV. Dependent Children of Financially Interdependent Relationships

We declare the following to be our dependent children:

|               |                |                        |  |
|---------------|----------------|------------------------|--|
| _____<br>Last | _____<br>First | _____<br>Date of Birth | _____<br>Relationship to Member<br>and Partner |
| _____<br>Last | _____<br>First | _____<br>Date of Birth | _____<br>Relationship to Member<br>and Partner |
| _____<br>Last | _____<br>First | _____<br>Date of Birth | _____<br>Relationship to Member<br>and Partner |
| _____<br>Last | _____<br>First | _____<br>Date of Birth | _____<br>Relationship to Member<br>and Partner |

**V. Acknowledgments**

We acknowledge receipt of the Explanation of Availability of Benefits Based on Financially Interdependent Relationships and understand the program, including the eligibility criteria.

We understand that the value of benefits such as health care provided to the non-married financially interdependent partner and/or the partner’s child(ren) may be considered and reported as taxable income to the member in most circumstances unless the financially interdependent partner and/or child(ren) also qualify as a “dependent” under Internal Revenue Code Section 152.

We acknowledge the Public Education Health Trust advised that we consult an attorney and tax advisor before completing this statement.

**VI. Affirmation; Penalties of Misrepresentation**

We affirm that the declarations and representations stated in this two-page document are true and correct. We understand that any misrepresentation or failure to report a change in our financially interdependent relationship may result in the loss of benefits to the member and that the member and the partner would be responsible for reimbursement to the Plan for any costs involved in providing benefit coverage when all applicable criteria have not been met. We understand that any misrepresentation made by us in this two-page document may also subject us to criminal prosecution under AS 11.56.200-.210.

Member \_\_\_\_\_ Date \_\_\_\_\_ Partner \_\_\_\_\_ Date \_\_\_\_\_

State of Alaska \_\_\_\_\_ Judicial District

Subscribed to and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Alaska

My Commission expires: \_\_\_\_\_

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**For Public Education Health Trust use**

Accepted by:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title



## Explanation of Availability of Benefits Based on Financially Interdependent Relationship

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### **Benefit Coverage**

Upon request, qualified financially interdependent partners and their dependent children will be provided the same benefits as those provided to married spouses and their dependent children, except where expressly prohibited by law. All Public Education Health Trust Policies and Regulations and benefit plan documents that affect members, spouses and their families also apply to employees and their financially interdependent partner and dependent children.

### **Taxability**

The member and the partner should consult with an attorney and tax advisor with regard to the possible legal and tax consequences of entering into a signed Financially Interdependent Relationship Statement. The employing school district should also be informed of this relationship for proper tax treatment and W-2 reporting.

In many cases, the value of benefits such as health provided to the non-married financially interdependent partner and/or the partner's children are considered taxable income to the employee by the Internal Revenue Service. Generally, the determination of whether a particular coverage or reimbursement is taxable will be based on whether the individual being covered qualifies as a "dependent" under Section 152 of the Internal Revenue Code.

If a financially interdependent partner and/or child(ren) of such partner does not meet the Section 152 "dependent" definition, members could be taxed on the value of coverage provided to such individual(s).

### **Qualified Dependent Children of a Financially Interdependent Partnership**

The children of a financially interdependent partner are qualified to receive benefits if one of the following are true:

- either or both partners are the biological parent(s) of the child;
- either or both partners are adoptive parent(s) of the child; or,
- the child has been placed in the partner's household as part of an adoptive placement or legal guardianship arrangement.

In addition, in order to receive benefits, the child(ren) must meet all applicable benefit plan eligibility criteria. Please see your plan document for eligibility criteria on dependent children.

### **Loss of Benefits**

Eligibility for benefits based on financial interdependency ends when any applicable criterion ceases to be met, (e.g. the relationship ends; one partner dies; one of the partners marries; the member and partner no longer reside together at the same primary residence).

Otherwise, coverage may be changed only if the member and/or partner suffers a "life event". For this purpose, dissolution of the financial interdependency partnership will be considered a "life event" in the same way that a divorce would qualify. Financially interdependent partners and/or their child(ren) may only be added at open enrollment or following an appropriate "life event". Once a financial interdependency partnership has dissolved, a new partnership will not be eligible for recognition (and, therefore, partner and/or child(ren) cannot be covered) for at least twelve months following notification to the Plan of the dissolution of the prior partnership.

The employee and/or the partner are obligated to notify the Plan's office in writing within thirty days of a change in their status which would make them no longer eligible for benefit coverage based on being financially interdependent.

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### **Qualifying Criteria**

To be recognized as a financially interdependent partner of a Public Education Health Trust member and qualified to

receive benefit coverage by the Plan, both individuals must meet all of the following criteria:

- \* They have been in an exclusive personal relationship with each other for at least the last twelve consecutive months and intend to continue the relationship indefinitely; and,
- \* They have resided together at the same primary residence for at least the last twelve consecutive months and intend to reside together indefinitely; and,
- \* They consider themselves to be members of each other's immediate family, and,
- \* They are not related to a degree of closeness such that Alaska law would preclude them from being married to each other; and,
- \* Neither of them are married or a member of another qualified financially interdependent relationship; and,
- \* They are each at least 18 years old and are competent to enter into a contracts; and,
- \* They are each responsible for the common welfare of the other; and,
- \* They share financial obligations including responsibility for each other's health care costs.

In addition, they meet at least five of the following criteria:

- joint purchase or lease of real property;
- joint ownership of a motor vehicle;
- joint bank account or joint credit account;
- the partner is named as beneficiary for life insurance;
- the partner is named as primary beneficiary for the TRS or PERS in the event of the member's death;
- the partner is named as primary beneficiary in the employee's will and/or the member is named as primary beneficiary in the partner's will;
- pursuant to a valid written power of attorney, the partner has the authority to deal with property owned by the member;
- the member has given written authority to the partner to make decisions concerning the member's health and well being in the event of the member's inability to do so.

The employee and/or partner will be required to provide evidence of financial interdependency; one of the documents must establish the relationship has been in existence for at least 12 months. This could include copies of contracts, bank account statements, joint property agreements or other documents as determined by the Plan.