



## **Domestic Partnership Benefit Coverage Policy**

Revised February 2021

McClatchy extends health plans and life plan coverage to domestic partners, and their legal dependents on the same basis as they are made available to the spouses and dependents of married employees.

### **Eligibility**

This policy applies to all McClatchy employees eligible for benefits. All eligibility requirements with regard to hours, age, relationship and domestic partner/spousal eligibility for employees, spouses, domestic partners and dependents must be met before coverage is offered.

This benefit is subject to the collective bargaining process. For members of a collective bargaining unit, eligibility for this benefit is subject to agreement between the Company and the union.

### **Definition of Domestic Partners**

Domestic Partners are defined as “two adults of the same or opposite sex who have chosen to share their lives in an intimate and committed relationship, reside together, and share a mutual obligation of support for the basic necessities of life.”

### **Domestic Partner Criteria**

**To qualify as a domestic partner, the domestic partners must either have a domestic partner or civil union certification from a state or municipal authority or must certify to the following:**

- both be at least 18 years of age;
- not be related by blood to a degree that would otherwise prohibit marriage;
- not be married to another person;
- be mentally competent to enter into a contract;
- have lived together at the same regular residence for at least twelve (12) months and intend to do so indefinitely;
- be engaged in a committed, mutually exclusive relationship for at least twelve (12) months;
- be financially interdependent and responsible for each other’s debts; and
- be responsible for each other’s common welfare.

**To qualify as a domestic partner’s dependent child under the domestic partner policy, the dependent must be your domestic partner’s:**

- biological child; or

- legally adopted child; or
- foster child.

Dependent children under age 19 are eligible for medical, dental, vision and EAP coverage. Dependent children under age 26 are eligible for medical and EAP coverage only.

**Domestic partners do not include roommates, siblings, parents, or other similar relationships.**

### **Documentation of Domestic Partnership**

In order to elect benefits under the Plan for your domestic partner, you must submit documentation showing that you are registered as domestic partners in your state or local municipality.

If state and local municipality registration are not available, you must declare your domestic partnership to the Company by filling out the Declaration of Domestic Partnership, available on the LiveWell website. This Declaration must be notarized before you submit it. In addition to this Declaration, the employee must submit two (2) of the items listed below which documents that the domestic partners have been in the committed relationship for at least twelve (12) months. The submitted documents must have been in existence for at least twelve (12) months:

- a) A joint mortgage or lease;
- b) Designation of domestic partner as beneficiary for life insurance;
- c) Designation of domestic partner as primary beneficiary in the employee's will;
- d) Assignment of durable property or health care power of attorney to domestic partner;
- e) Joint ownership of a motor vehicle, joint bank account, or joint credit account(s).

### **Enrollment**

Employees will be permitted to enroll their domestic partners and legal dependent(s) of their domestic partner annually at each Open Enrollment.

If a domestic partner qualifies for coverage under the Company's health care plans, but elects to enroll in coverage elsewhere, the employee is encouraged to still submit the domestic partner certificate or the "Declaration of Domestic Partnership". This will allow the employee and domestic partner to be eligible for the benefits listed under "Other Benefits".

New hires eligible for benefits, and current employees who become eligible for benefits due to a status change, will be permitted to enroll their domestic partners and legal dependent(s) of their domestic partners during the initial enrollment period if they have submitted the required domestic partner documentation prior to their benefit enrollment deadline.

In order to be eligible for secondary medical or dental coverage with our Company, domestic partners eligible for coverage with their employer must first enroll in their employer's coverage first and provide domestic partnership certification or complete the "Declaration of Domestic partnership."

If both members of the domestic partner relationship are employed at the same location, both cannot be covered as dependents of each other.

### **Health Plans**

The medical, dental, vision and employee assistance program (EAP) will be administered under the existing provisions found in the corresponding Evidence of Coverage/Summary Plan Description or employee handbook for all enrollees. Health plans and existing coverage are subject to change.

For more information on medical and dental domestic partner eligibility please refer to the spousal/domestic partner benefit eligibility coverage policy found on the Livewell website.

### **Life Plans**

The employee's domestic partner and eligible dependent(s) may elect coverage through the supplemental life insurance program. The supplemental life insurance program will be administered under the provisions found in the insurance brochure. Life plans and existing coverage are subject to change.

### **Contribution Schedules**

The Company will pay the same percentage share of the premium costs for the coverage of an employee with a domestic partner, or domestic partner with dependent(s), as it pays toward the cost of coverage of an employee with a spouse or spouse with dependent(s).

The employee will be subject to the annual schedule of premium contributions for employee, employee plus child(ren), employee plus spouse, and employee plus family coverage. The scheduled premium contribution for the domestic partner's and/or domestic partner's dependent child(ren)'s benefits will be deducted from the employee's payroll checks on an after-tax basis.

### **Imputed Income**

The Internal Revenue Service (IRS) has ruled that if an employee receives health and/or life insurance benefits for a domestic partner or the domestic partner's legally dependent child(ren), the employee must pay FICA, federal income, and state income (unless otherwise permitted by state law) taxes on the value of that benefit. The IRS defines this as the fair market value of the domestic partner's health or life insurance coverage over the amount paid for the employee's own coverage. This amount may be added to gross income and taxed accordingly. If the domestic partner is a legal tax dependent under IRC Section 152, imputed income may not apply. Imputed income will not count as income for purposes of the pension plan, 401(k) plan, Employee Stock Purchase Plan, short-term disability, long-term disability, life insurance, AD&PL, or any other benefit plan which calculates benefits on the basis of compensation.

Employees on an approved leave of absence, who pay their portion of the employee contribution schedule by check rather than payroll deduction, will be obligated to pay the amounts due for FICA tax and income tax withholding on imputed income. Income withholding tax rates will be calculated in accordance with the employee's specific W-4.

## **Termination of Domestic Partnership**

The employee will be required to notify the People team in writing within thirty (30) days of the termination of a domestic partnership by completing the “Declaration of Termination of Domestic Partnership”. This would occur when the employee’s relationship with the domestic partner no longer satisfies the domestic partner criteria.

If the domestic partnership is terminated, active coverage for the domestic partner’s child(ren) will be terminated. Coverage will terminate on the last day of the month when the eligibility terminates regardless of the date the employee notifies the People team. The employee will be reimbursed the domestic partner’s and the domestic partner’s dependent(s)’ premium payments for any noncovered months already paid.

If an employee resides in a state or municipality where termination of domestic partnership is applicable, they must terminate the domestic partnership with the appropriate government agency and provide proof of such termination in lieu of the “Declaration of Termination of Domestic Partnership” to the People team.

## **COBRA Continuation of Coverage Rights**

Domestic partners and legal dependent(s) of the domestic partner are eligible for COBRA coverage.

COBRA coverage will be extended on the same basis as is currently available to employees, spouses and dependents. Periods of COBRA coverage for loss of health care coverage will be as follows:

- Termination of coverage due to termination of employment: 18 months
- Termination of coverage due to reduction in hours: 18 months
- Termination of coverage due to retirement of employee: 18 months
- Termination of coverage due to termination of domestic partnership: 36 months
- Termination of coverage due to loss of dependent status: 36 months
- Termination of coverage due to death of employee: 36 months
- Termination of coverage due to Medicare eligibility: 36 months

All provisions of COBRA as outlined in the COBRA notification will apply. Domestic partners electing COBRA may not add a new domestic partner to their continuation of coverage.

## **Enrolling a New Domestic Partner**

Following termination of a domestic partnership, and proper notification of termination of domestic partnership, there will be a waiting period of twelve (12) months after termination of coverage of the prior domestic partner or domestic partner’s dependent child(ren) before the employee is allowed to enroll a new domestic partner or a domestic partner’s dependent child(ren).

## **Other Benefits**

Bereavement Leave, if offered, will be extended to include domestic partners as immediate family members.

Sick leave will be extended to include care for the domestic partner or the domestic partner's dependent child(ren).

Family Medical Leave Act (FMLA) will be extended to include domestic partners and the domestic partners' legal dependent child(ren).

In the event of an employee's death, the domestic partner and any dependent child(ren) currently covered under the company's health and life plans, will be extended the current month's coverage plus two additional months of coverage, and then offered COBRA benefits.

Survivor benefits for long-term disability will be extended to include domestic partners. In the event of an employee's death, IRS regulations will not allow payment of the final paycheck to the domestic partner. Final pay will be issued to the employee's estate.

Domestic partner benefits will **not** be extended to The McClatchy Company Retirement Plan (which includes the Knight Ridder Pension Plan), The McClatchy Company 401(k) Plan, or McClatchy's Premium Pass-through Plan or Flexible Spending Account Plans. Due to IRS regulations, the Health Care Reimbursement Plan and the Dependent Care Assistance Plan will **not** reimburse expenses for care of domestic partners and their dependents, except those who meet the applicable IRS tax law definition of "dependent". Also, we **cannot** treat an employee with a domestic partner as "married" for purposes of determining the employee's maximum allowable contribution to the Dependent Care Assistance Plan.

## **Beneficiary Designation**

Employees may designate a domestic partner as their beneficiary for life insurance or for The McClatchy Company 401(k) Plan.

*The McClatchy Company reserves the right to change, modify or discontinue the domestic partner benefits at any time. Nothing in this document should be interpreted as a contractual obligation, either implied or expressed.*