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Frequently asked questions about providing domestic partner benefits

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October 2006

Why are domestic partner benefits important?

Roughly 80 percent of non-elderly insured people in the United States get health insurance coverage through their own jobs or through a family member's job—typically a spouse's job. When employers do not provide equal coverage for the important long-term, committed relationships of unmarried employees, those employees' families are vulnerable to a lack of insurance coverage.

Is there evidence of a problem for people with unmarried partners?

Our new study shows that people with unmarried partners are more likely to be uninsured than are married people. In our recent analysis of government data, we found that 20% of people in same-sex couples had no health insurance at all, nor did 32% of people in unmarried different-sex couples. Both kinds of unmarried partners were 2-3 times more likely to be uninsured than people who are married.

How much of a difference would partner benefits make for workers with partners?

The provision of employment-related health insurance to domestic partners would cut the number of uninsured people in unmarried couples by 30-43%.

How many people sign up for partner benefits when employers offer them?

There are at least three ways to answer this question. First, we look at enrollment as a **percentage of people who are in unmarried couples**. We estimate that 31% of employees with same-sex partners sign up, and 20% of employees with different-sex partners sign up. Second, we calculate the **percentage of all employees** who would sign up a partner. This percentage is much smaller than the first one, since relatively few employees have an unmarried partner. Our study suggests that enrollment will rise by 0.1% to 0.3% for gay and lesbian partners and by 1.3% to 1.8% for different-sex partners. Third, we look at the **actual number of partners** signing up for benefits, and we find that different-sex partners signing up for benefits outnumber the same-sex partners by a nine to one margin.

What will happen to employers' costs when they offer domestic partner benefits?

As we note above, employers offering domestic partner benefits would experience a small enrollment increase that will lead to higher compensation costs. Employers' health care costs will rise by roughly the same small percentage as enrollment, however, or 1.4% to 2.1% if coverage is offered to different-sex and same-sex partners.

If partner benefits are so important, why do so few gay and lesbian people sign up a partner for benefits when they have the chance?

Enrollment is low for several reasons, but mainly because few employees have a same-sex partner, and many partners already have health insurance. When we looked at partnered gay and lesbian employees with employer-provided health insurance, we found that three-quarters of their partners already received coverage through their own employers, reducing their need for partner coverage. Another contributing factor is that the IRS considers the employer contribution for a partner's health coverage to be taxable income for the employee, so taxes might rise significantly after signing up a partner. (Health benefits for spouses are not taxable, however.) Some gay, lesbian, or bisexual people might also fear sexual orientation discrimination at their workplace if they were to inform their employer that they have a same-sex partner.

Are these domestic partners more likely to be sick than spouses?

No. We found no meaningful differences in self-reported health status between married people and people in same-sex or different-sex unmarried couples.

How do the numbers reported here compare to those reported by employers who offer domestic partner benefits?

The figures calculated from the Current Population Survey in this study are very consistent with reports from businesses. Most businesses report a very small enrollment and cost increase associated with domestic partner benefits—roughly a 1-2% increase. Businesses have not reported higher-than-expected health care costs from domestic partners.

Note: For citations and new estimates, see Michael A. Ash and M. V. Lee Badgett, "Separate and Unequal: The Effect of Unequal Access to Employment-Based Health Insurance on Same-sex and Unmarried Different-sex Couples," *Contemporary Economic Policy*, Volume 24, No. 4, October 2006. This study is the first to use nationally representative data (the Current Population Survey) to study health insurance and domestic partnership benefits for people in same-sex and different-sex couples.

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