

SAN FRANCISCO ELECTRIC WORKERS HEALTH & WELFARE PLAN
720 MARKET STREET, SUITE 700
SAN FRANCISCO, CA 94102
MEMORANDUM REGARDING DOMESTIC PARTNER COVERAGE

Eligibility of Domestic Partner

The Plan covers a registered domestic partner of a Participant. A domestic partner, under the Plan, means an individual who is your spousal equivalent under the laws of a state, county, city or other municipality, and for whom an official certification of registration of domestic partnership has been submitted to the Plan Office. To receive coverage for your domestic partner, the Plan requires that you provide a completed Declaration of Domestic Partnership (a form is attached) and a copy of your Domestic Partner Registration (unless the registration form has already been provided to the Plan). The Plan treats a domestic partner as if the partner were the Participant's spouse for coverage and eligibility, but not tax, purposes.

Taxation of Value of Coverage

In general, the value of health coverage provided to a spouse or dependent of a Plan Participant is not taxable to the Participant (or the spouse or other dependent). Federal law, however, currently does not recognize a domestic partner as a spouse. Therefore, unless your domestic partner can be treated by the Plan as your dependent under the tax code, the value of any coverage provided to your domestic partner will be taxable to you. If the Plan provides a taxable benefit to you or your dependent, it is required to report the income and withhold certain payroll taxes from you.

Dependent Status. In general, you can claim your registered domestic partner as a dependent for purposes of your tax return if, for the entire year, your partner:

- (i) has the same principal place of abode as you;
- (ii) is a member of your household;
- (iii) is a resident of the U.S., Canada or Mexico, or is a citizen of the U.S.;
- (iv) receives over half of his or her support from you; and
- (v) has income of less than the exemption amount of \$3,800 (for 2012).

The income requirement in (v) of the preceding sentence, however, does not apply when determining whether your domestic partner is taxed on the value of coverage provided by the Plan. Therefore, it is possible that your partner does not qualify as your tax dependent for purposes of filing your federal income tax Form 1040 (for example, if your partner had income exceeding \$3,800), but is nonetheless your tax dependent for purposes of the Plan and eligible to receive tax-free coverage under the Plan. If you believe you might provide more than half of the support for your domestic partner, you may wish to use the support worksheet in IRS Publication 501 (Exemptions, Standard Deduction, and Filing Information) before you complete the Affidavit of Dependency for Tax Purposes described below. You may also need to consider the impact of community property laws on the support test. See IRS Publication 555 (Community Property) and the IRS website FAQs at <http://www.irs.gov/newsroom/article/0,,id=245869,00.html>.

If domestic your partner qualifies as a dependent under the Plan, you must submit the enclosed form titled Affidavit of Dependency for Tax Purposes if you wish to have the Plan recognize your partner's dependent status. You will be asked to complete this affidavit each year during open enrollment for the following year, subject to any change in status that may occur during the year. As a condition to your domestic partner's participation in the Plan, you are required to notify the Plan Office immediately if your partner fails to satisfy any of conditions (i) through (iv) above during a year that the Plan is treating your partner as a tax dependent. By enrolling your domestic partner (or his or her child) in the Plan, you

also are agreeing to reimburse the Plan should the Plan be required to pay over any payroll-related taxes attributable to your imputed income.

When Dependency Status is Determined. The requirements for determining dependency status are determined as of the end of a year, and must be met for that entire year. Thus, for example, if your domestic partner became a member of your household during October 2012, the same month that you registered your domestic partnership, your partner would not be a dependent under the Plan for any of 2012. Although, in that case, your partner may be enrolled in the Plan during the 30-day period beginning on the date you registered your domestic partnership, coverage of your partner would not be tax-free until 2013, and even then only if all of conditions (i) through (iv) mentioned above are satisfied for all of 2013.

Children of Domestic Partner. The child of your domestic partner generally may enroll in the Plan. The child will qualify as your tax dependent for Plan purposes by satisfying the above test (provided no other individual claims the child as a tax dependent) or by satisfying the “qualifying child” test. It may be more difficult for the child of your domestic partner (who is not also your child) to satisfy these tests and qualify for tax-free health coverage. Please consult your tax advisor for the information needed to make this determination.

Collection of Taxes if Not a Dependent. If your domestic partner (or his or her child) does not qualify as a tax dependent under the Plan, the Plan must collect employment taxes from you (*i.e.*, FICA, SDI and SUI), in advance, on a semiannual basis. At the end of the year, you will receive a Form W-2 for income tax purposes showing any imputed income for the coverage of your partner and his or her child. You should consult with your tax adviser if you have questions regarding taxation on imputed income.

State Taxes. California treats a domestic partner in the same manner as a spouse for purposes of determining the income and payroll taxation of health plan coverage. Accordingly, coverage of your domestic partner and his or her child in the Plan will not result in the reporting of imputed income nor the collection of payroll taxes from you for California state tax purposes.

If you have any questions or need assistance in completing your application, please contact the Plan office at (415) 263-3670.

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DECLARATION OF DOMESTIC PARTNERSHIP

Coverage for the Plan Participant and the Domestic Partner will begin on the first day of the month following submission of the fully executed and notarized original of this form (please keep a copy for your records).

We, _____ (“Participant”) and _____ (“Domestic Partner”) hereby declare:

1. We live together. We share the same principal place of residence at _____,
which is our mailing address unless another address is set forth below;
_____.
2. We are both 18 years of age or older.
3. Neither of us is married.
4. Neither of us is related to the other as a parent, brother or sister, half brother or sister, niece, nephew, aunt, uncle grandparent or grandchild.
5. We are the Domestic Partner of each other and have no other Domestic Partner.
6. Neither of us had a different spouse or Domestic Partner in the last six (6) months who is still living.
7. Each of us understands that the non-Participant Domestic Partner has no right to continue coverage by self-payment under the terms of the Plan or federal law (e.g., COBRA).
8. Each of us understands that under applicable federal law, coverage of the non-participant Domestic Partner may result in additional imputed taxable income to the Participant and withholding for payroll taxes (including social security and unemployment taxes) on such amounts. We will indemnify and hold the Plan harmless for any taxes, tax-related penalties or interest imposed on the Plan as a result of providing Domestic Partner coverage. If required, we further agree to submit the Plan’s Affidavit of Dependency for Tax Purposes or to pre-pay to the Plan any taxes the Plan determines are due, including the employer’s portion of such taxes which, if overpaid, we may not be able to completely recover.
9. We understand that if either of us has made a false statement regarding his or her qualification as a Domestic Partner or has failed to comply with the terms of this Declaration and the Plan suffers any loss thereby, the Plan may bring a civil action against either or both of us to recover its losses, including reasonable attorney’s fees and court costs.
10. We agree to notify the Plan immediately in writing if there is any change of circumstances attested to in this Declaration. We further agree to notify the Plan immediately upon termination of Domestic Partnership and acknowledge that if we fail to do so, we will be held liable for all claims paid on behalf of the Domestic Partner after the date of such termination.

Attached hereto is our Certificate of Registration as Domestic Partners with a government agency that recognizes domestic partners.

We hereby declare under that the statements above are true and correct.

PARTICIPANT

Signed on _____, 20____ in _____ Signature

_____ Print name

Mailing address _____

_____ Date of

birth _____

DOMESTIC PARTNER

Signed on _____, 20____ in _____ Signature

_____ Print name

Mailing address _____

_____ Date of

birth _____

List below names and ages of dependent children of the non-Participant Domestic Partner (attach copies of birth certificates).

Signature of Participant: _____

Date: _____

Signature of Domestic Partner: _____

Date: _____

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AFFIDAVIT OF TAX DEPENDENCY FOR PLAN PURPOSES

I, _____ (the "Participant") and
_____ (the "Domestic Partner")
being duly sworn, hereby certify:

1. We have read the attached Memorandum Regarding Domestic Partner Coverage.
2. For all of the current _____ calendar year, over half the Domestic Partner's support has been received from the Participant, the Domestic Partner's principal place of abode is the Participant's place of abode, and the Domestic Partner is a member of the Participant's household. [Please both initial here: _____]
3. For all of the upcoming _____ calendar year, over half the Domestic Partner's support is expected to be received from the Participant, the Domestic Partner's principal place of abode is expected to be the Participant's place of abode, and the Domestic Partner is expected to be a member of the Participant's household. [Please both initial here: _____]
4. The Domestic Partner is a citizen of the U.S.A., or a resident of _____. [Please both initial here: _____]
5. I, the Participant, am aware that if my Domestic Partner ceases to be a "dependent" for Plan purposes, I will incur federal tax liabilities in connection with health care coverage for my Domestic Partner through the Plan. I therefore agree to notify the Plan Office in writing within ten (10) days if there is any change in my Domestic Partner's status as my dependent. In addition, I will indemnify and hold the Plan harmless for any taxes, tax-related penalties or interest imposed upon me or the Plan as a result of providing coverage to my Domestic Partner, including any taxes, tax-related penalties or interest imposed as a result of my representation to the Plan that my Domestic Partner is my dependent for tax purposes.
6. We both agree that each of us is jointly and individually responsible for reimbursement of benefits and expenses, including attorney's fees and costs incurred by the Plan as a result of any false or misleading statement contained in this affidavit.

We certify the following to be true to the best of our knowledge.

_____ Participant's Signature	_____ Domestic Partner's Signature
_____ Print Name	_____ Print Name

Dated: _____

Common Address: _____

SAN FRANCISCO ELECTRICAL WORKERS HEALTH & WELFARE PLAN
STATEMENT OF TERMINATION OF DOMESTIC PARTNERSHIP

I, _____, affirm the termination of my domestic
Participant (print)
partnership with _____ effective _____.
Domestic Partner (print) Date

I have provided a copy of this Statement of Termination of Domestic Partnership to my former domestic partner.

I understand that I will not be able to file a new Affidavit of Domestic Partnership until six (6) months after I have filed this Statement of Termination of Domestic Partnership with the Fund Office.

I declare, under penalty of perjury, that the foregoing is true and correct.

Signature

Date

Social Security Number