

EB/CAP/01/4

November 15, 2001

To: Members of the Committee on Administrative Policies

From: The Committee Secretary

Subject: **Extension of Domestic Partner Benefits**

Attached for consideration by the Committee, at its meeting on Thursday, November 29, 2001, is a paper that proposes that the range of benefits available to the eligible domestic partners of Fund staff be expanded and that the natural and legally adopted children of domestic partners be considered eligible for Fund benefits on the same basis as stepchildren of married staff. A draft decision appears on page 16.

Questions may be referred to Ms. Rosa (ext. 38713) and Mrs. Shannon (ext. 37258).

Att: (1)

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Members of the Executive Board

INTERNATIONAL MONETARY FUND

Extension of Domestic Partner Benefits

Prepared by the Human Resources Department

Approved by Margaret R. Kelly

November 6, 2001

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EXECUTIVE SUMMARY

The purpose of this paper is to propose that the range of benefits for domestic partners be expanded to include most of the benefits currently available to spouses, and that the natural and legally adopted children of domestic partners be considered eligible for Fund benefits on the same basis as stepchildren of married Fund staff.

At its meeting on August 22, 2000, the Committee on Administrative Policies (CAP) agreed to recommend to the Executive Board that Fund staff members be permitted to enroll their same-sex or opposite-sex domestic partners in the Medical Benefits Plan (MBP), at the rate applicable to “married couple” or “family” coverage, as appropriate, upon satisfying the criteria for an eligible relationship. This recommendation was subsequently approved by the Executive Board (EBAP/00/103). At the same CAP meeting, the staff was asked to study the possible extension of additional benefits to domestic partners.

The present paper addresses the CAP’s request by analyzing the policy implications and the costs associated with the adoption of a broader domestic partner benefits policy in the Fund. It proposes to extend to domestic partners most of the benefits currently available to spouses. The Staff Retirement Plan (SRP) and Spouse and Child Allowance (SCA), however, are not included in this proposal. With respect to the SRP, the issue will be discussed separately as it falls under a different Board Committee (i.e., the Pension Committee). The rationale for the SCA is linked to the favorable tax treatment conferred to married persons under the tax systems of the United States and the Fund’s compensation system comparator markets (France and Germany). Since, at present, these countries do not recognize domestic partners as spouses for tax purposes, there is little justification for providing the SCA for the domestic partner of a Fund staff member or the child of a domestic partner.

An important part of the discussion on domestic partner benefits is the treatment of dependent children and the establishment of eligibility criteria for benefits purposes. At present, children of domestic partners are not eligible for MBP coverage unless they are legally adopted by the staff member. Given external legal constraints that may prevent such adoptions and the potential inequities that could arise from them, the paper recommends that natural and adopted children of staff members’ domestic partners be considered eligible for benefits so long as they meet the same criteria that apply to stepchildren of married staff.

The cost of offering domestic partner benefits is a function of two factors, namely the enrollment rate increase and the individual cost of each of the benefits offered. It was estimated that the additional cost per year of extending benefits to **domestic partners and their eligible children** would range between \$0.7 and \$1.7 million, depending on the rate of enrollment, which would represent an increase of 0.11 to 0.26 percent, respectively, of the Fund’s FY2001 Administrative Budget. The additional cost of extending benefits to **domestic partners only** would range between approximately \$0.2 and \$0.4 million, which would represent an increase between 0.03 and 0.07 percent of the Fund’s FY2001 Administrative Budget.

I. INTRODUCTION

1. On August 22, 2000 the Committee on Administrative Policies (CAP) considered two papers, “Benefits for Domestic Partners” (EB/CAP/00/4) and “Medical Benefits Plan Administration” (EB/CAP/00/3). The Committee recommended to the Executive Board that Fund staff members be permitted to enroll their same-sex or opposite-sex domestic partners in the Medical Benefits Plan (MBP) at the rate applicable to “married couple” or “family” coverage, as appropriate, upon satisfying the criteria for an eligible relationship. This recommendation was subsequently approved by the Executive Board on September 14, 2000 (EBAP/00/103). During the CAP discussion, the staff was asked to study the possible extension of other benefits to domestic partners.
2. Accordingly, this paper summarizes and updates current trends and international organization practices in this area, presents the policy implications of offering additional domestic partner benefits, and analyzes the costs of extending Fund benefits to the domestic partners of eligible Fund staff members. In addition, the paper proposes that the definition of “dependent child” eligible for benefits contained in General Administrative Order (GAO) No. 28 be broadened to include not only staff members’ natural, legally adopted, or stepchildren that meet the necessary criteria, but also natural or legally adopted children of eligible staff members’ domestic partners.
3. Fairness, diversity, nondiscrimination, and market competition are often cited as the main factors justifying the adoption of domestic partner benefits by employers and the inclusion of domestic partners in social safety net provisions and programs. The Fund’s commitment to promoting equity and diversity, as well as its policy of zero tolerance for discrimination require that the range of benefits offered to employees be continually reevaluated. At a time when issues of stress have become a major driver in the Fund’s review and improvement of human resources management policies and practices, the issue of domestic partner benefits acquires additional importance, given its potential to enhance employees’ productivity through the creation of a more satisfying social and psychological experience and the alleviation of personal stress¹. In addition, in the competitive labor market in which the Fund competes for talent, offering conditions of employment that can attract, retain, and motivate a workforce of the highest caliber from all backgrounds has become critical.
4. Issues paper EB/CAP/00/4 describes the history of domestic partner benefits, the United States federal laws that are relevant in considering these benefits, and legislative actions that have been taken at the state or local level. The same paper also discusses legal developments in other countries as well as current practices in international organizations. As noted in that paper, several nations and many provincial, state, and municipal governments around the world have enacted legislation to reduce discrimination in relation to nontraditional domestic

¹Human Rights Campaign WorkNet, *How to Achieve Domestic Partner Benefits in Your Workplace*, available at <http://www.hrc.org/worknet>.

partnerships. In addition to civil marriage, many countries recognize “common law” marriage, and have extended certain economic benefits (particularly pension and inheritance rights) to cohabitating partners who have not entered into a civil marriage. An important development that has taken place since EB/CAP/00/4 was issued is that the Netherlands became the first country on April 1, 2001 to extend full, legal marriage to same-sex couples that involve Dutch citizens or legal residents.

5. The above developments reflect a decline of the proportion of households based on the “traditional” definition of family—a husband and a wife living with their children—and an increase in alternative living arrangements. In the United States, census data have consistently illustrated this evolution in the definition of family and its changing profile. In 1970, for example, the proportion of “traditional” households was 40 percent, whereas in 1998 only 25 percent of the nation’s 102 million households fit the traditional definition of family. Furthermore, the number of people living in unmarried partner households is growing at a faster pace than the number living in married households (11 percent versus 2 percent growth, respectively, during the period of 1994 to 1998). Similar trends are evident in a number of other countries.

II. BACKGROUND INFORMATION

A. Growth of Domestic Partner Benefits

6. Since EB/CAP/00/4 was issued there has been further growth in the use of domestic partner benefits. As of August 2001, the Human Rights Campaign (HRC) was aware of almost 4,300 United States private companies—including 29 percent of Fortune 500 companies—academic institutions, and state and local governments that offer health insurance benefits both to opposite-sex as well as same-sex domestic partners of their employees. This figure represents a 20 percent increase from the previous year. In the 2001 Benefits Survey prepared by the Society for Human Resources Management (SHRM), 25 percent of the 754 respondents indicated that their employers offer domestic partner benefits to opposite-sex partners, and 16 percent reported that their organizations offer these benefits to same-sex partners. This represents an increase of 15 percent from SHRM’s 2000 survey.

7. The types of benefits offered to domestic partners vary among organizations, but they can include medical and dental insurance, eye care, disability and life insurance, family and bereavement leave, tuition reimbursement, education assistance, relocation expenses, access to exercise facilities, credit union membership, day care for the partner’s children, and survivor’s pensions. In other words, any benefit that an employer may offer to its employees’ legal spouses may be included in the domestic partner benefits package². Moreover, even though it was not possible to conduct exhaustive research in this area, it appears that offering benefits coverage to the children of employees’ domestic partners is common practice in the

²Workspan, *Domestic Partner Benefits*, (August 2000), Volume 43, Number 8.

United States private sector³. It should be noted, however, that in most cases, the principal benefit program offered to domestic partners and their children is health care coverage.

B. Enrollment Rates

8. The impact of extending benefits to the domestic partners of staff members is mainly dependent on enrollment rate growth. Recent studies have shown that enrollment rates do not increase significantly (typically between 1 and 2 percent) when benefits coverage is offered to domestic partners. Employers that offer benefits to both same-sex and opposite-sex domestic partners, as well as public employers, typically experience enrollment rates at the higher end of this range. In a recent investigation conducted by labor economist Lee Badgett, she found that only a few public employers had participation rates well beyond 2 percent (i.e., the state of Vermont with 5.6 percent and the city of Berkeley with 6.9 percent), which she attributed to the unusually high number of unmarried couples living in those areas⁴. A more conservative estimate, based on the findings of a September 1998 study by the Corporate Leadership Council (CLC), suggests that enrollment rates when same- and opposite-sex couples are covered could range between 2 and 5 percent. Similar findings were reached in a recent Hewitt Associates study, in which employers providing at least 7 or 8 benefits to domestic partners typically experienced participation rate increases of up to 3 percent (85 percent of a 20-employer sample). Five percent of the organizations surveyed showed enrollment rate increases between 3 and 5 percent, and 10 percent of employers saw increments higher than 5 percent.

9. Census information suggests enrollment rate increases that are similar or even lower than those cited in the above-mentioned studies. Based on census data and the percentage of men and women who had exclusively same-sex partners during the year before the census, researchers have estimated that approximately 0.2 percent of the workforce is likely to request same-sex benefits. With respect to opposite-sex partnerships, census data show that approximately 1.2 percent of the workforce would be likely to request opposite-sex benefits.

³American Airlines policy, for example, describes eligible dependents of domestic partners the following way: "Eligible children include natural as well as legally adopted children of the Domestic Partner. Children must be unmarried [...] and must maintain legal residence with you and be wholly dependent upon you for maintenance and support." Kodak's policy describes eligible dependents of domestic partners as the staff member's "natural, adopted, step, and foster children and the children of the domestic partner" as long as they are unmarried, receive more than 50 percent of their support from the staff member, and live in the staff member's household (unless they live at school, or elsewhere as the result of divorce or separation).

⁴Badgett, Lee, *Calculating Costs with Credibility: Health Care Benefits for Domestic Partners*, The Policy Journal of the Institute for Gay and Lesbian Strategic Studies, (November 2000), Volume 5, Issue 1.

Combining these two estimates for same-sex and opposite-sex domestic partners, the expected take-up rate would be approximately 1.4 percent⁵.

C. Practice in Other International Organizations

10. As stated in EB/CAP/00/4, a number of international organizations have expanded or are exploring expansion of benefits to domestic partners, although the approach varies widely among organizations. The European Central Bank (ECB) and the European Bank for Reconstruction and Development (EBRD) both provide spousal-equivalent benefits to same-sex and opposite-sex domestic partners. In the case of the ECB, partners must be from a member country to be considered eligible for benefits. The Organization for Economic Cooperation and Development (OECD) provides health care coverage to same- and opposite-sex domestic partners under the following scheme: (a) if they are eligible for coverage under the French social security system, they may obtain complementary coverage for expenses beyond what the national social security scheme would cover; (b) if they are not eligible under the French social security system, they may obtain complete coverage through the organization.

11. At present, domestic partners of World Bank staff members have access to various benefits, namely:

- **Medical insurance:** this benefit is only accessible to same-sex domestic partners.
- **Death-in-service lump sum:** this benefit is available to same- and opposite-sex domestic partners as long as they are responsible for the staff member's funeral and/or burial arrangements.
- **Leave:** up to five days of accrued sick leave are available to staff members to care for a sick or injured domestic partner (same- or opposite-sex) or child of the partner. Emergency leave can also be taken by the staff member for the death or serious illness of the domestic partner, his/her child, and for the death of the partner's parents.
- **Pension:** at present, the World Bank has two pension schemes, namely a "gross" and a "net" scheme, in which benefits are calculated on the basis of gross pensionable salary and net salary, respectively. The "gross" scheme, which applies to staff hired prior to April 15, 1998, is a defined benefit plan much like the Fund's SRP. The "net" plan, which applies to staff hired after April 15, 1998, is a hybrid plan in that it has features of both defined benefit and defined contribution plans. Under the current framework, survivor benefits under the "net" plan are identical for both surviving spouses and the designated survivors of unmarried staff, including domestic partners. Under the "gross"

⁵Gates, Gary J., *Domestic Partner Benefits Won't Break the Bank*, Population Reference Bureau (April 2001).

plan, however, automatic survivor annuities are provided for spouses, but not for domestic partners.

- **Facilities and services:** access is offered to domestic partners to Bank buildings and facilities, including the Credit Union.

As of June 2001 the World Bank had 48 registered domestic partners, of which 26 were enrolled in the Medical Insurance Plan.

12. The World Bank is considering changes in the definition of domestic partners eligible for benefits to include both same- and opposite-sex unmarried couples, as well as the domestic partners' natural and adopted children that meet the Bank's dependency criteria. Under consideration by the Bank is also the extension of the range of benefits available to domestic partners and their children to include, among others, mobility/expatriate benefits, insurance coverage, survivor's pension under the "gross" pension plan, emergency travel, and financial assistance.

III. CURRENT PRACTICE IN THE FUND

A. Definition of Domestic Partner

13. The Fund's Executive Board approved a definition of domestic partnership that includes the following criteria (EBAP/00/103):

- the two individuals must be at least 18 years old, unrelated by blood, and legally able to consent to a civil contract;
- they must not be married to, or legally separated from, any other person;
- they must have had an exclusive, committed relationship and have cohabited for a minimum period of 12 months; and
- they must be financially interdependent and intend to continue their relationship permanently.

To demonstrate that these criteria are met, both the staff member and the domestic partner are required to sign an affidavit registering the relationship and to notify the Fund promptly if the partnership as attested in the sworn statement should terminate (see Attachment A). In addition, documented proof of cohabitation for at least 12 months and of financial interdependence during that time is required.⁶

⁶The Fund has a flexible interpretation of the cohabitation requirement, as there may be cases in which the domestic partner may not have a visa that would allow him/her to reside permanently in the United States. In those cases, the staff member is required to submit

B. Definition of Dependent Child

14. Currently, General Administrative Order (GAO) No. 28, Rev. 6, Spouse and Child Allowances (Sections 2.01.3 and 5) provides a definition of a dependent child for the purpose of child allowances and other benefits. This definition establishes that dependent children are the staff members' natural, legally adopted, or stepchildren who meet the following eligibility criteria:

- under 19 years of age; or
- handicapped prior to reaching the age 24, as defined in the MBP; or
- 19 years of age or older, but less than 24 years of age, and
 - are unmarried, and
 - have a gross income not exceeding the established ceiling for the current calendar year (\$9,540 for FY 2001), or receive more than 50 percent of support from the staff member and the staff member's spouse, and the staff member is able to submit documentary evidence of that support if requested to do so.

Stepchildren are considered eligible for benefits purposes on the same basis as natural children, provided that:

- the stepchild is the child of the staff member's current or former spouse;
- the staff member certifies that each stepchild receives more than one half of his or her financial support from the staff member and the staff member's current spouse; and
- the staff member is able to submit documentary evidence of that support if requested to do so.

15. At present, children of domestic partners are not eligible for MBP coverage unless they are legally adopted by the staff member. In moving forward, two options could be considered by the Fund, namely to broaden the definition of dependent child to include the natural and legally adopted children of eligible staff member's domestic partners, or to maintain the current policy. The first approach would require the establishment of dependency criteria to determine children's eligibility such as those currently in place for stepchildren of married staff (i.e., the child receives more than one half of his or her financial support from the staff member and the staff member's domestic partner, and documentary evidence can be submitted to that effect).

documentation showing that the staff and his or her domestic partner previously lived together for at least one year, as well as proof that the relationship is still ongoing.

16. Adopting the second—and more conservative—approach (i.e., to maintain a more restricted definition of dependent child to include only those children who have been legally adopted by staff members) would allow the Fund to incrementally develop its policy on domestic partner benefits, after additional experience has been gained. However, since adoption may not be a legal option available to all staff, such an approach would give rise to situations in which similarly situated staff may be treated more or less favorably than others. For example, there may be legal obstacles to adoption by same-sex couples, and even where the applicable law so allows, if the other natural parent is still alive, there may be obstacles to the staff member adopting the natural child of his or her domestic partner without the other parent relinquishing parental rights. Given these external legal constraints (which neither the staff member nor the Fund can control) and the potential inequities that could arise from this position, the staff recommends that natural and adopted children of staff members' domestic partners be considered eligible for benefits so long as they meet the same test that applies to stepchildren of married staff.

C. Benefits Currently Available to Domestic Partners

17. At present, registered domestic partners of Fund staff members have access to the following benefits:

- **Medical Benefits Plan.** A staff member is permitted to enroll his or her same-sex or opposite-sex domestic partner in the MBP at the rate applicable to “married couple” or “family” coverage, as appropriate, provided that the criteria for an eligible relationship is satisfied. For “family” coverage, the staff member must have legally adopted the domestic partner’s child. In the event of death or retirement of the staff member, MBP coverage would continue for his or her domestic partner on the same basis as for married staff.
- **Grant in the event of death.** This grant is available to domestic partners provided that the staff member has designated him or her as the beneficiary of any “accrued pay and allowances”.
- **Group Life Insurance Plan (GLI).** An insured staff member has the right to designate a domestic partner or any other person as beneficiary of all, or a portion, of his or her GLI proceeds.
- **Memberships and services.** Domestic partners of eligible staff members who are enrolled in the MBP are also eligible for the following: membership to the Bank/Fund Staff Federal Credit Union, Bretton Woods Recreation Center, IMF Spouse/Partner Association, and Fitness Center, participation in InFFO activities, access to career counseling services, and issuance of a Fund identification card to permit access to the Fund building.

- **Lump-sum death benefit under the Staff Retirement Plan (SRP).** Participants in the plan have the right to name any person, including his or her domestic partner, as beneficiary of the lump-sum death benefit payable under the SRP.
- **Family leave.** Staff members may take a maximum of five days of accrued sick leave per leave year in connection with the illness or accident of a member of their household, including their domestic partner.
- **Child Care Center.** Children of staff members' registered domestic partners are eligible for admission into the Fund's Child Care Center according to the same procedures as for married staff.

18. As of July 2001, there were 25 Fund staff with registered domestic partners participating in the MBP⁷, which represents a 0.9 percent of the total Fund staff. Of these, about half are same-sex partners and half are opposite-sex. Among the 25 staff members, 48 percent are United States citizens, 8 percent are green card holders, and 44 percent hold G4 or other visas. Among domestic partners, 56 percent are United States citizens and 44 percent have G4 or other visas.

IV. PROPOSED BENEFITS TO BE EXTENDED TO DOMESTIC PARTNERS

19. The present paper proposes to extend to domestic partners most of the benefits currently available to spouses. The SRP and SCA, however, are not included in this proposal. With respect to the SRP, the issue will be discussed separately as it falls under a different Board Committee (i.e., the Pension Committee). The SCA is linked to the favorable tax treatment conferred to married persons under the tax systems of the United States and the Fund's compensation system comparator markets (France and Germany)⁸. Since, at present, these countries do not recognize domestic partners as spouses for tax purposes, there is little justification for providing the SCA for the domestic partner of a Fund staff member or the

⁷It should be noted that, up until now, only domestic partners for whom enrollment in the MBP was requested and granted have been permitted to register their partnership with the Fund for other benefits. In contrast, the World Bank permits registration of domestic partnerships without specific enrollment in the MBP.

⁸ Most national tax systems differentiate among individuals according to their marital status and the number of their dependents, and provide a favorable tax treatment to married couples. In the Fund's net-of-tax salary system, gross market salaries are net down by taking out taxes as well as dependent exclusions. The SCA are paid to qualifying staff members for their eligible spouse and children to supplement their net salary in a way that would account for the tax credits that married persons earning a gross income would receive for their spouse and dependent children. In other words, SCA are tax equivalency additions to net salary designed to reflect the value of the tax deductions available for certain dependents under the tax system of the duty station.

child of a domestic partner, unless the child has been legally adopted by the Fund employee. However, this benefit could be revised in the future should there be a move by other countries towards a favorable tax treatment for domestic partners.

20. In light of the above, the following set of benefits are proposed for extension to staff members for their eligible domestic partners and their eligible dependent children. Consistent with the first paper, EB/CAP/00/4, benefits are listed according to four categories, namely financial and work/life benefits; insurance benefits; expatriate benefits; and miscellaneous services and memberships⁹.

Financial and work/life benefits

21. **Appointment and repatriation benefits.** Installation and resettlement allowances would be paid to domestic partners of eligible employees and, if applicable, their eligible dependent children.

22. **Emergency leave, emergency travel, and travel time.** This policy, which is currently restricted to staff members and, where provided, to their spouses in cases of emergency, would be extended to registered domestic partners on the same basis as to spouses.

23. **Salary advances for education expenses of employees' family members.** Eligible staff members would be able to receive a salary advance to assist in paying for university or vocational training for their domestic partners (provided that the training was directed toward acquiring a marketable skill) and eligible dependent children of domestic partners.

24. **Spouse travel under the points system.** As presently written, this policy limits eligibility to married staff members and accrued points can only be applied for spouse travel. The policy on travel under the points system would be modified to include the domestic partners of eligible staff members.

Insurance benefits

25. **Travel insurance and personal effects insurance.** At present, Fund staff members may designate domestic partners as beneficiaries, but they cannot be covered as insured persons. However, if the present proposal to extend travel at Fund expense to domestic partners (i.e., appointment, resettlement, emergency, and home leave travel) is accepted, the travel and personal effects insurance policy would have to be amended to include domestic partners and, if applicable, their eligible dependent children as insured persons.

⁹Tax allowances would also need to be provided to US staff members in those cases in which a tax liability is created by the benefits provided to their domestic partners.

26. **Workers' compensation.** The current policy on workers' compensation would need to be amended to allow domestic partners and/or eligible surviving children to be designated as beneficiaries in the event of death of the staff member as a result of a work-related illness or injury.

Expatriate benefits

27. **Education allowance.** At present, the education allowance is provided for the natural, legally adopted, and stepchildren of eligible staff members as defined in GAO No. 28. Eligible children must be at least five years of age, but no more than twenty-four, and they must be enrolled full-time in a qualified school or educational institution. If it is decided that the definition of dependent child should be expanded to cover natural and legally adopted children of eligible staff members' domestic partners, this policy would need to be modified, and education/education travel allowances would be paid for each eligible dependent child of the domestic partner on the same basis as children of married staff. If the current definition of dependent child is maintained, no changes to the policy on children's education allowance would be necessary.

28. **Home leave travel and allowance.** The home leave policy would be extended to domestic partners and, if applicable, their eligible dependent children as above.

Miscellaneous services and memberships

29. Up until now, the Fund has only registered domestic partnerships for the purpose of MBP coverage. On request, such registered domestic partners have also been issued Fund identification cards that permit building access for the Fitness Center, InFFO activities, and IMF Spouse/Partner Association. It is proposed that these services and memberships be made available to all domestic partners of staff members, regardless of whether or not they participate in the MBP (or other benefits that might be extended to domestic partners), provided that the relationship be registered through the Fund's Affidavit of Domestic Partnership. This modification does not require approval of the Executive Board.

V. COST IMPLICATIONS

30. The cost of offering domestic partner benefits is a function of two factors, namely the enrollment rate increase and the individual cost of each of the benefits offered. As mentioned in Section II.B above, participation rates in public organizations where both same-sex and opposite-sex domestic partner benefits are offered typically range between 2 and 5 percent, the latter being rare.

A. Assumptions

31. The following cost analysis presents two estimates, namely a baseline scenario that assumes an enrollment rate of 2 percent of total staff and a high-case scenario based on a 5 percent participation. These are well above the Fund's current enrollment rate of 0.9 percent. Based on the profile of the Fund's total staff and of the 25 domestic partnerships currently registered, it was assumed that approximately 50 percent of domestic partnerships would be

eligible for expatriate benefits. Costs were calculated on the basis of the per capita expenditures on each benefit during FY2001.

32. Some additional working assumptions were established for each benefit on the basis of historical data and current staff ratios, as follows.

33. **Appointment and repatriation benefits.** Estimated costs were calculated under the premise that domestic partnerships would represent between 2 and 5 percent of the yearly appointments and separations (the average number of appointments and separations for the last three years were used as the basis for this calculation). On the basis of FY2001 data for the total Fund staff, it was also assumed that approximately 80 percent of these domestic partnerships would make use of appointment and repatriation benefits¹⁰.

34. **Home leave travel and allowance.** As is currently the case of eligible married staff, all domestic partnerships eligible for expatriate benefits—about half of the total—were assumed to make use of home leave.

35. **Education allowance and travel.** At present, less than half of the total Fund staff eligible for expatriate benefits make use of education allowance benefits. On the basis of current ratios for staff, it was assumed that approximately 40 percent of eligible domestic partnerships would use children's education allowance and that one half of these would make use of education travel.

B. Estimated Costs

36. Tables 1 and 2 provide estimated costs of extending additional benefits to domestic partners based on the premises proposed in subsection A above. Calculations were based on per capita expenditures for appointment, repatriation, and expatriate benefits for FY2001. Table 1 shows that the additional cost per year of extending benefits to **domestic partners and their eligible natural and adopted children** would range between \$0.7 and \$1.7 million depending on the rate of enrollment. This would represent an increase of 0.11 to 0.26 percent, respectively, with respect to the Fund's FY2001 Administrative Budget¹¹. In contrast, Table 2 shows that the additional cost of extending benefits to **domestic partners only** would range between approximately \$0.2 and \$0.4 million, which would represent an increase between 0.03 and 0.07 percent of the Fund's FY2001 Administrative Budget.

¹⁰In recent years, approximately 80 percent of the new hires and staff separating from the Fund have received appointment and separation benefits (there were 266 new appointments and 134 separations, on average, for the last three years, with some 180 staff receiving appointment benefits and some 101 staff receiving separation benefits).

¹¹In the absence of empirical data on the number of children domestic partner couples have, the same profile as for married staff (i.e., an average of 2 children) was applied to estimate the cost of extending benefits to the children of domestic partners.

Table 1. Estimated Cost of Extending Benefits to Domestic Partners and their Children (In thousands of U.S. Dollars)					
	FY2001 Expenditure ^{1/}	Estimated Additional Cost (baseline scenario)	Estimated Additional Cost (high scenario)	Estimated Percent Change (baseline)	Estimated Percent Change (high)
Allowances					
Installation allowance and grant	3,885	56	140	1.44	3.61
Resettlement allowance	602	6	16	1.07	2.68
Education allowance	7,569	150	376	1.99	4.97
Home leave	13,166	377	942	2.86	7.16
Travel					
Settlement—Appointment	2,234	39	97	1.74	4.36
Settlement—Repatriation	1,798	23	57	1.27	3.17
Education	1,103	22	54	1.96	4.91
Emergency	192	2	5	0.99	2.48
Subtotal	30,549	675	1,688	2.21	5.53
Total FY2001 Budget	637,985			0.11	0.26
^{1/} FY2001 expenditures exclude Experts and Board members.					
^{2/} Assumes an enrollment rate of 2 percent (baseline scenario) or 5 percent (high scenario) of the total staff or, in the case of appointment and repatriation benefits, of the average number of appointments and separations for the last three years.					

Table 2. Estimated Cost of Extending Benefits to Domestic Partners Only (In thousands of U.S. Dollars)					
	FY2001 Expenditure ^{1/}	Estimated Additional Cost (baseline scenario)	Estimated Additional Cost (high scenario)	Estimated Percent Change (baseline)	Estimated Percent Change (high)
Allowances					
Installation allowance and grant	3,885	19	47	0.48	1.20
Resettlement allowance	602	2	5	0.36	0.89
Home leave	13,166	126	314	0.95	2.39
Travel					
Settlement—Appointment	2,234	13	32	0.58	1.45
Settlement—Repatriation	1,798	8	19	0.42	1.06
Emergency	192	2	5	0.99	2.48
Subtotal	21,877	169	422	0.77	1.93
Total FY2001 Budget	637,985			0.03	0.07
^{1/} FY2001 expenditures exclude Experts and Board Members					

VI. SUMMARY OF RECOMMENDATIONS

37. During the CAP's previous discussion, the staff was requested to further examine the issue of domestic partner benefits and to develop a proposal on the extension of benefits beyond MBP coverage. For reasons of fairness, equity, diversity, and market competition, this paper recommends that the range of benefits for domestic partners of eligible Fund staff be extended. With respect to the issue of dependent children, two possible approaches and their respective estimated costs were presented, and it is recommended that benefits coverage be extended to natural and legally adopted children of domestic partners so long as they meet the test currently in place for stepchildren of married Fund staff.

VII. PROPOSED DECISION

It is proposed that the Committee on Administrative Policies recommend that the following decision be adopted by the Executive Board.

- That the range of benefits currently available to the domestic partners of eligible Fund staff be expanded to include appointment and repatriation benefits; emergency leave, emergency travel, and travel time; salary advances for education expenses of employees' domestic partners; travel under the points system; travel insurance and personal effects insurance; worker's compensation; education travel and allowance; and home leave travel and allowance.
- That natural and legally adopted children of domestic partners be considered eligible for Fund benefits on the same basis as stepchildren of married Fund staff.

INTERNATIONAL MONETARY FUND

REGISTRY OF DOMESTIC PARTNERS

I. AFFIDAVIT OF DOMESTIC PARTNERSHIP

We, _____, a Fund employee, and _____, a Fund employee or non-employee, each certify and declare that we are each other's sole domestic partners as set out below:

- A. We are both at least eighteen (18) years old and legally competent to consent to a civil contract; and
- B. We have each considered ourselves domestic partners during the period of at least one year prior to the date of this Affidavit, which is demonstrated by the attached documentation of our (1) having lived together for at least twelve (12) months, and (2) having been financially interdependent during such time; and
- C. Neither of us is married to or legally separated from any other person and neither of us is engaged in another domestic partnership; and
- D. We are not related by blood or marriage; and
- E. We are engaged in an exclusive, committed relationship of mutual caring and support, consider ourselves jointly responsible for our common welfare, and intend to continue this relationship permanently.

II. TERMINATION OF DOMESTIC PARTNERSHIP

- A. The employee has an obligation to ensure that the Human Resources Department (HRD) of the International Monetary Fund (the Fund) receives a written "Declaration of Termination of Domestic Partnership" if there is any change in the domestic partnership status that makes this Declaration invalid or erroneous. Notice shall be provided to HRD within sixty (60) days of such change.

- B. The employee understands that termination of benefit coverage obtained as a result of this Declaration will be effective on the last day of the month during which the domestic partnership ends or at such time as coverage terminates in accordance with the terms and conditions of applicable policies. Receipt by the Fund of a Declaration of Termination of Domestic Partnership from either partner shall be deemed conclusive evidence of the termination of the domestic partnership status for purposes of any benefits extended as a result of the domestic partnership. In the event that more than one such Declaration of Termination of Domestic Partnership is provided with conflicting dates of termination of the domestic partnership, the Fund shall rely on the document with the earlier date.

III. ACKNOWLEDGMENTS

- A. We understand that a civil action may be brought against one or both of us for any losses (including attorney's fees and costs) due to any false statement contained in this Declaration or for failure to notify the Fund of changed circumstances as required in Section II, above. The undersigned employee further understands that falsification of information in this Declaration or failure to notify the Fund of changed circumstances pursuant to Section II, above, may lead to disciplinary action, including discharge from employment.
- B. We have provided information in this Declaration for use by the Fund for the sole purpose of determining our eligibility for certain benefits. We understand and agree that the Fund is not legally required to extend such benefits to domestic partners and that the Fund may change or terminate these benefits in its discretion without consent of any employee or group of employees.
- C. As with other personal information and employee records maintained by the Fund, we understand that the information provided in this Declaration will be treated as confidential by the Fund, but will be subject to disclosure:
1. Upon the express written authorization of an undersigned employee, or
 2. If otherwise required in connection with legal or administrative proceedings.
- D. We understand that this Declaration may have legal implications relating, for example, to our ownership of property or to taxability of benefits provided. We understand that before signing this Declaration we should seek competent legal and tax advice concerning such matters. We acknowledge that the Fund has provided us with no advice in this regard.

Notary Public: _____

Accepted and
Approved:

Human Resources Department

Date: _____