

June 26, 2013

To: Whom It May Concern

From: UW Benefits Office
Campus Mailbox 359556

Subject: Impact of Supreme Court Decision: Defense of Marriage Act (DOMA)

Today, the Supreme Court struck down a provision of a federal law denying federal benefits to married gay couples. By striking down DOMA, the Supreme Court eliminated portions of a federal law that has kept legally married same-sex couples from receiving tax, health, and pension benefits.

We anticipate the impact of this decision in states such as Washington, which recognize same-sex marriage, will include a change to the treatment of federal taxes for health care benefits. Employers such as UW are currently required to tax the employee for the “imputed value” of same-sex health care benefits. Over the next days and weeks, analysis of the decision will identify the full impact to employer-paid benefit plans, and will identify any questions left unanswered by today’s decision.

UW anticipates that guidance will be forthcoming soon from the Internal Revenue Service (IRS), which must change its rules and notify employers before we can implement any changes to current tax rules. We are also in contact with the state Health Care Authority to urge prompt action to update any current state rules requiring deduction of additional taxes.

Until formal tax guidance is received, we are unable to suspend additional taxes. However, please be assured that we will track this closely so that changes can be implemented as soon as authorized by the IRS and state HCA.

If you have any questions, please contact us at benefits@uw.edu.