

Non-Flex 2009 Monthly Imputed Income Chart For Same-Sex Domestic Partner Dental Benefits

Your total coverage costs for same-sex domestic partner benefits is equal to the amount of your pre-tax contributions *plus* the additional income tax you'll pay—based on the imputed income you'll incur. Use this chart to determine the amount of imputed income (COBRA rates minus the 2% administrative fee) for each benefit you elect. Please note that the imputed income is determined based on the number of same-sex domestic partner dependents you've chosen to cover—including your same-sex domestic partner and/or his/her eligible dependent children.

United Steelworkers Union Local 10-86 (formerly PACE 2-86)	Additional Imputed Income (COBRA Rates Minus 2% Administrative Fee)		
Dental Plan Options	Same-Sex Domestic Partner Only	Same-Sex Domestic Partner Child(ren)	Same-Sex Domestic Partner + Child(ren)
Comprehensive Dental	\$38.03	\$95.08	\$133.11
Aetna DMO	\$29.51	\$73.77	\$103.28
Healthplex DPO	\$30.85	\$61.71	\$103.98

Additional Tax Worksheet for Same-Sex Domestic Partner Benefits (Non-Flex)

Unless your same-sex domestic partner and/or his/her eligible dependent children are your dependents for federal income tax purposes, you will be required to pay federal, state and local taxes—as well as applicable employment and payroll taxes—on any imputed income related to their benefits coverage. This worksheet is designed to help you calculate the approximate amount of additional annual taxes you will have to pay on this imputed income. To determine monthly additional imputed income on:

- Medical, dental and vision benefits, please refer to the *2008 Non-Flex Monthly Imputed Income Chart for Same-Sex Domestic Partner Medical, Dental and Vision Benefits*.
- Survivor income insurance, please contact the **Merck Benefits Service Center** at 800-66-MERCK (800-666-3725).

Merck strongly recommends that you consult a tax advisor to determine the effect of adding benefits coverage for a same-sex domestic partner and/or his/her eligible dependent children on your overall tax liability.

Monthly additional imputed income for medical coverage		\$ _____
Monthly additional imputed income for dental coverage	+	\$ _____
Monthly additional imputed income for vision coverage	+	\$ _____
Monthly additional imputed income for survivor income insurance	+	\$ _____
Total monthly additional imputed income for benefits coverage	=	\$ _____
Multiplied by 12 (months)	x	12
Annual amount of additional imputed income for benefits coverage	=	\$ _____
Multiplied by total tax rate (federal + state + local + employment tax rates)	x	_____ %
Total annual amount of additional taxes for benefits coverage	=	\$ _____