Supreme Court’s Gay Marriage Rulings Will Have An Impact on Employers

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Several Fisher Phillips attorneys were quoted in various media outlets following the politically and emotionally charged U.S. Supreme Court decision on June 26 to strike down the federal Defense of Marriage Act (DOMA). The ruling allows same-sex couples, who were married in states where same-sex marriage is legal, to file joint federal income-tax returns and obtain Social Security and other federal benefits. The high court ruling will have an impact on employers.

Steven Loewengart, Regional Managing Partner of the Columbus office, was quoted in The Columbus Dispatch article “Ohio’s Gay-Marriage Ban Intact, But Couples Will See Effects.” Steve noted that businesses and local governments will be affected by the ruling. “It’s going to present some sticky issues for employers that have multistate operations — for example, an employer with an employee in Massachusetts [where gay marriage is legal] that is transferred to Ohio.” He said a majority of very large companies and an increasing number of medium-size businesses offer domestic-partner benefits to employees.

Chicago attorney Jay Hux was interviewed for the Chicago Tribune article “Supreme Court Gay Marriage Ruling Also Has Impact On Health Care, Family Leave.” He noted that, in the workplace, federal laws governing benefits like leave could be affected. For instance, in the Family and Medical Leave Act, an employee may use leave to take care of a spouse with a serious medical condition. The ruling could also mean employers have to offer COBRA continuation coverage to same-sex couples. “There may be some additional costs for employers since the ruling may eliminate restrictions for health
care benefits, but I’d say, in aggregate, the actual financial and economic cost to employers will not be actually large.”

New Orleans Attorney Michelle Anderson commented in the article “Big Law Attys Praise High Court’s Gay Marriage Rulings” on Law360. Michelle said: “Employers with pension and 401[k] plans may be required to recognize same-sex spouses for purposes of determining surviving spouse annuities or death benefits and administration of qualified domestic relations orders. Federal income tax treatment of health and welfare coverage may also be affected, in that employees will no longer be taxed on the value of the coverage for a same-sex spouse that is not a federal tax dependent.”

In the day’s other closely watched ruling, the high court cleared the way for gay marriage in California, ruling that an earlier trial court opinion that Proposition 8, California’s voter-approved ban on gay marriage, is unconstitutional. Therefore, same-sex marriage will again be legally recognized in California. Danielle Moore, a partner in the San Diego office, told The San Diego Daily Transcript that the effect for employers throughout California is minimal. In the article “Gay Marriage Gains Momentum With High Court Rulings” Danielle said, “Most employment laws in California have already included domestic partners for years.” She noted that two segments in California who will see their benefits change include military spouses, who now will receive additional benefits under the Family and Medical Leave Act, and federal government employees with a pension.