



STATE OF NEW YORK  
OFFICE OF THE ATTORNEY GENERAL

ERIC T. SCHNEIDERMAN  
ATTORNEY GENERAL

DIVISION OF SOCIAL JUSTICE  
CIVIL RIGHTS BUREAU

February 10, 2015

Re: **Provision of Same-Sex Spousal Benefits at Thomson Reuters**

The purpose of this Letter Agreement is to memorialize (i) the cooperation of Thomson Reuters ("Thomson" or "Company") with the Office of the Attorney General ("OAG" and, with Thomson, "Parties") in an investigation of complaints concerning the provision of health, dental, and vision benefits to the same-sex spouses of Thomson employees, and (ii) Thomson's ongoing commitment to the accurate enrollment of such spouses in Thomson's employee benefit plans.

**Factual Summary**

In *United States v. Windsor*, the U.S. Supreme Court struck down Section 3 of the federal Defense of Marriage Act ("DOMA"), which had defined "marriage" as a "legal union between one man and one woman as husband and wife." Accordingly, DOMA had required a private employer to treat its financial contribution to the health or other benefits of an employee's legally married same-sex spouse as income "imputed" to the employee for federal tax purposes. In 2012, prior to the *Windsor* decision, Thomson began reimbursing those of its employees covering legally married same-sex spouses for the amount of such imputed income. Following the *Windsor* decision and subsequent IRS guidance issued in 2013, employers were no longer required to impute income to such an employee. The OAG and Thomson are committed to promoting compliance with the Supreme Court's ruling in *Windsor* and to ensuring equal protection under the law for all New Yorkers, including the equal treatment of legally married same-sex and opposite-sex couples in the critical area of employee compensation and benefits.

In September 2014, the OAG received and reviewed information indicating that Thomson may have imputed income to an employee based upon the Company's contribution to the health benefits of the employee's same-sex spouse. Among the information reviewed was a complaint from a current Thomson employee. The complaint arose both from entries on the employee's pay slip reflecting imputed income, and from a Company notification to the employee that she would receive a tax refund from Thomson for "the adjusted imputed income" after the employee made internal inquiry. The complaint also described problems the employee faced in assuring that Thomson's benefits systems accurately reflected the status of her spouse as a legal spouse and not as a domestic partner.

In October 2014, the OAG requested documents from Thomson concerning issues raised by the complaint. Thomson quickly responded and noted its desire to address any problems experienced by employees obtaining benefits for same-sex spouses through the Company. In November 2014,

Thomson produced documents to the OAG. Those documents, and subsequent discussions between the Company and the OAG, revealed that (i) in August and September 2014, a number of Thomson employees made inquiries concerning language on their pay slips which appeared to indicate that the Company was imputing income for such benefits, and one other employee inquired about an error in classifying her same-sex spouse as a dependent, which inquiries the Company began to research at that time, (ii) Thomson uses a third-party benefits administrator ("Administrator") to manage virtually all aspects of its employee benefit plans, (iii) Thomson had instructed the Administrator to calculate imputed income for the Company's contribution to the benefits of employees' same-sex spouses, but such calculation did not result in negative tax consequences for such employees residing in states, like New York, where same-sex marriage is recognized, (iv) the cause of the original complaint, and the reason Thomson provided a refund to the employee who inquired about the classification of her spouse, was a mistaken designation of the same-sex spouse as a domestic partner for a period of time, and (v) this mistaken designation was made by an employee of the Administrator, which was rectified by Thomson upon the Company's discovery of the error.

### **Relief**

**WHEREAS**, Thomson has cooperated promptly and fully with the OAG, and the OAG is willing to accept the terms of this Letter Agreement to fully resolve the OAG's inquiry; and

**WHEREAS**, Thomson agrees to take the following actions, several of which Thomson already commenced during the Parties' discussions:

1. **Calculation of Imputed Income:** Thomson has instructed the Administrator to cease calculating imputed income for Thomson employees married to same-sex spouses (and for the children of such spouses) who reside in New York and all other states in which same-sex marriage is legally recognized. Such cessation has resulted in the removal of all imputed income entries on the pay slips of Thomson employees receiving health, dental, and vision benefits for same-sex spouses (or the children of same-sex spouses) in New York and all other states in which same-sex marriage is legally recognized.
2. **Administrator Employee Training:** Thomson has instructed the Administrator to conduct training for those representatives dedicated to Thomson accounts on: the legal status of same-sex spouses; how to properly designate same-sex spouses within the Administrator's employee benefit systems; and the circumstances in which the Administrator's systems may impute income to a Thomson employee whose same-sex spouse (or child of such spouse) receives benefits through Thomson. The initial training took place on January 19, 2015, and additional training shall occur on a quarterly basis in February, May, August, and November 2015. The OAG had initial approval authority over the materials used in such training.
3. **Review of Same-Sex Spousal Designations:** For all employees in New York State who currently obtain health, dental, or vision benefits through the Company for a same-sex spouse (or child of such spouse), Thomson will direct the Administrator to conduct an audit, for the period October 18, 2013 to the present, to assure that (i) for the duration of time an employee has obtained benefits for such spouse (or child) through Thomson during that period, that individual has been properly designated as a spouse

(or child of such spouse) in the Administrator's systems, and (ii) no refund is owed to any employee as a result of possible mis-designation of a spouse (or child of such spouse) during that period. Should Thomson discover any such refunds are owed, Thomson will timely provide refunds to its employees and report the same to the OAG.

4. **Complaint Reporting:** For a period of one year from the date of this letter, Thomson will report to the OAG any internal complaints received by its benefits or payroll departments concerning the designation or enrollment of employees' same-sex spouses (or children of such spouses) in Thomson employee benefit plans; or the imputing of income or tax treatment of any Thomson contribution to the benefits of employees' same-sex spouses (or children of such spouses).

**IT IS FURTHER UNDERSTOOD AND AGREED THAT** the acceptance of this Letter Agreement does not constitute an admission of wrongdoing on the part of Thomson, or any violation of any laws, regulations, or administrative pronouncements applicable to Thomson.

**AND IT IS FURTHER UNDERSTOOD AND AGREED THAT** no person or entity is intended to be a third-party beneficiary of the provisions of this Letter Agreement for purposes of any civil, criminal, or administrative action. Nor shall any person or entity be permitted to assert any claim or right as a beneficiary or protected class under this Letter Agreement. Nothing contained in this Letter Agreement shall be construed to deprive any person, corporation, association, agency, or other entity of any right provided by law, regulation or administrative pronouncement.

**AND IT IS FURTHER UNDERSTOOD AND AGREED THAT** this Letter Agreement is a public document. Upon request, a copy of this document or any information contained in it shall be made available to any person by the Office of the Attorney General.

**AND IT IS FURTHER UNDERSTOOD AND AGREED THAT** this Letter Agreement sets forth the entire agreement of the Parties and may be modified only by the subsequent execution of a written agreement by its Parties.

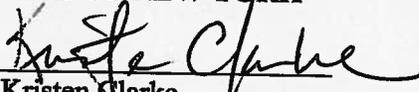
**WHEREFORE,** the following signatures are affixed hereto:

**THOMSON REUTERS**

By:   
Steven Moll  
Senior Vice President and  
Associate General Counsel,  
Employment and Labor

Date: 2/12/15

**ERIC T. SCHNEIDERMAN,  
ATTORNEY GENERAL OF  
THE STATE OF NEW YORK**

By:   
Kristen Clarke  
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Date: 3/2/15