

**STATEMENT OF**

**William H. Hendrix, III, Ph.D., Global Leader, Gays, Lesbians and Allies at Dow  
THE DOW CHEMICAL COMPANY  
Midland, Michigan**

**For the hearing on  
Domestic Partner Benefits for Federal Employees**

**Before the  
Senate Committee on Homeland Security and Governmental Affairs**

**On  
October 15, 2009**

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Chairman Lieberman, Ranking Member Collins and members of the Committee for Homeland Security and Governmental Affairs, my name is Dr. Bill Hendrix, and I am the Biology Team Leader for Insect Traits and Seed Treatment within Dow AgroSciences LLC, a 100% wholly owned subsidiary of The Dow Chemical Company. I hold a Ph.D. in Entomology from Iowa State University and have worked for Dow for 20 years.

In addition to my role as a biology team leader within Dow, I also serve as the chair of the Company's Gays, Lesbians and Allies at Dow (GLAD) Network, an affinity group advocating for gay, lesbian, bisexual, transgender and ally employees within the company. GLAD is one of seven employee networks at Dow, all working toward promoting an increasingly diverse and inclusive workplace. Our seven global employee networks comprise 120 local chapters, engaging hundreds of employees around the world in promoting respect, tolerance and greater understanding among our diverse workforce. GLAD was first established in 2000.

First, I will provide some background on Dow. Dow was founded 112 years ago in Midland, Michigan, a small town of about 40,000 people just over 100 miles north of Detroit. Our small town Midwestern roots have encouraged us to establish our enduring Core Values of Integrity and Respect for People. It is these Values that form the very heart of our approach to Diversity and Inclusion.

Over the years, as we have grown and become a major player in the global economy, Diversity and Inclusion have truly become key elements of our corporate culture. Just consider our footprint: we serve customers in 160 countries, we have manufacturing sites in 35 different countries, and at last count, my 46,000 colleagues represent about 100 different nationalities—all working together to generate \$57.5 billion in annual sales. On April 1, 2009, Dow completed its acquisition of Rohm and Haas, a \$10 billion specialty chemicals company, expanding our growth potential and our reach into new markets and geographies.

Clearly, diversity underpins our workforce, our culture and, indeed, our business model. In a highly competitive world where innovation is the key to securing competitive advantage, we know that it is our “Human Element” that is key to our success. As a result, we know that creating a respectful, inclusive working environment is not only a matter of fairness and equality, but also one of critical economic and business importance. Likewise, we feel that S. 1102, the Domestic Partnership Benefits and Obligations Act of 2009, will similarly help the US government create a more respectful and inclusive work environment.

With a shrinking and ever more diverse talent pool – particularly in the sciences and engineering – it is essential for us to actively include everyone to ensure we attract, develop and advance the very best talent available in the marketplace. As an industrial, business-to-business supplier with virtually no consumer marketing, located largely in smaller rural areas, we must work even harder to have an identifiable employer brand to attract top talent. We see our proactive stance on diversity and inclusion as a key element of this brand.

Our open policy allows us to hire the best employees, with the greatest range of perspectives. When we discuss Domestic Partnership policies in the workplace, we do so knowing that this policy gives us an advantage. Because we don’t have major offices or facilities in the metropolitan areas in the US, our employees who would like access to

domestic partnership policies often have more protection and freedoms under Dow's policies than under the laws of their state or locality.

Specifically, our Lesbian, Gay, Bisexual and Transgender (LGBT) policies have been good for our workplace for two main reasons: a) retention of our employees has been enhanced, because they know that they can perform their jobs openly and with full support of their family situation without fear of repercussion and therefore have more reason to be committed to the company in return, and b) better recruitment of allies and younger workers, who often use employee benefits, such as support for domestic partnerships and flexible work hours, as a litmus test for prospective employers. We have been widely recognized in the past for our work on LGBT issues:

- a 100% ranking on Human Rights Campaign (HRC) Corporate Equality Index for the United States for the fifth straight year. Dow was the first chemical company to receive such an award.
- The International Gay and Lesbian Chamber of Commerce (IGLCC) awarded Dow Chemical Company a third place as a leading corporation in the first edition of the International Business Equality Index. The Index is a measurement of the performance of multinational corporations in relation to Diversity and Inclusion issues specifically focusing on LGBT communities in the countries where they operate.
- Selected by Human Rights Campaign as a 2010 Best Places to Work for LGBT Equality
- Dow Received the Lambda Legal Corporate Leadership Award. The award honors companies and/or organizations based on their internal policies, employee resource groups and external practices regarding sexual orientation and gender identity.

For Dow, like most companies, the offering of benefits to LGBT employees has been the result of a multi-stage journey. We first instituted sexual orientation in our employment nondiscrimination policies in 2000. We then added parity for domestic partnerships in 2002. We added protections based on gender identity in 2007. A copy of our policy is

attached as exhibit A. Of special note, we have implemented this globally for all the 160 countries in which we have employees!

The offering of domestic partner benefits is certainly not out of the norm within the US top employers. According to the Human Right Campaign Foundation 2010 Corporate Equality Index “the majority of Fortune 500 companies provide them, and they remain an overall low-cost, high-return benefit for businesses”. Currently 94% of the ranked companies in that survey offer domestic partner benefits to same-sex couples and 70% offer them to opposite sex couples.

Often domestic partners benefits are seen as just a benefit for same sex couples. But, domestic partner benefits do not only attract LGBT employees. Many companies report that the implementation of domestic partner benefits helps attract and retain critical talent from non-gay and lesbian talent. These particular candidates have reported that the existence of a domestic partner benefits policy shows that the company values and truly believes in a workplace that respects and protects all employees. It also shows our commitment to including diverse perspectives. This trend is especially prevalent among younger candidates of the workforce -- a segment crucial to the future demographics of any employer.

Within Dow, we have instituted policies to create parity between those who are traditionally married and those couples who would like to take advantage of our domestic partner benefits. Therefore, we offer benefits to both same-sex and opposite-sex couples, and those who qualify also have access to a wide arrange of benefits, which, on the whole, are very similar to the benefits outlined in S. 1102. Many of these benefits don't require the company to incur any additional costs. As examples, in addition to our US medical plan, prescription drug plan and dental plan, employees have access to family leave, insurance, pension, adoption assistance, and international relocation benefits. Where a benefit is offered to a traditional spouse, we try to offer the same benefit to a domestic partner. Therefore, partners may take advantage of company discounts, visits to

the fitness center, access to the flu prevention program and ability to open accounts at the credit union.

Obviously, on an international scale, local law can impact our offerings within different countries and for international relocation. However, the global policy is to provide parity between domestic partners and those that are traditionally married within that country.

Our management is sensitive to critical issues relating to the cost that offering such benefits could add to our company's bottom line. After seven years of offering domestic partner benefits to both same and opposite sex couples, I can tell you that this program DOES NOT add significantly to the bottom line. Currently, Dow Chemical has 105,653 covered lives under our U.S. Medical Plan at an annual cost of \$325 million. This number includes employees, retirees and dependents of both employees and retirees. We currently have 282 domestic partners who are covered under Dow's US health benefits. That represents 0.27% of the covered lives. Interestingly, the average net payments for domestic partners is approximately 0.24% of our total spending (or \$770,000 total and \$2,730 per domestic partner) on Dow U.S. medical plans or slightly less than the proportion of the population that they represent.

A second concern is how you create a registry of qualified domestic partnerships. This entails a balance between respecting the individual's need for privacy and discretion with the company's need to install guidelines, as there are no national or state registries, such as a marriage license, within most states. In exhibit B, we have attached our policy for determining the existence of a qualified domestic partner relationship. Once this form is completed by the employee, the couple is granted access to all of Dow's domestic partner benefits. To date, we have had no issue with fraudulent claims for benefits. In fact, according to Lambda Legal, time has shown that fraud has not been a problem in domestic partner benefits programs; it is probably less a risk than among employees claiming to be married, due to the tax penalty incurred with domestic partner benefits (<http://www.lambdalegal.org/issues/same-sex-relationships/tips-for-negotiating-for.html>)

Perhaps the final concern we faced in implementing our program is how to successfully implement domestic partner benefits throughout a diverse organization like Dow. For us, the key has been a strong combination of executive support creating the right tone at the top regarding inclusion, a well articulated business case rooted both in talent management and in our Company's values, and lastly a strong network of both LGBT and ally employees working together through the GLAD Network. Our Network actively engages allies to help bridge discussions on topics of inclusion with our larger population.

Public policy can also augment a company's diversity program. Accordingly, Dow continues to strongly support the Tax Equity for Domestic Partner and Health Plan Beneficiaries Act (S. 1556). Unfortunately, current law requires an employee, whose domestic partner receives health benefits, to pay taxes on their employer's contribution for health insurance benefits, and both the employee and employer must pay payroll taxes on this additional taxable income. The legislation would eliminate these taxes and allow those employees, who currently cannot afford the extra taxes, to offer health coverage for their loved ones. It would, by small extension, allow equal benefits between domestic partners and their married co-workers.

Overall, Dow has found it a relatively easy transition to offer domestic partner benefits. The cost has been minimal while the impact to daily culture has been immense. Every time an email goes out to the employees stating that "spouse/domestic partner" is included, we send a positive message for workplace inclusion and reinforce our "Human Element" advantage.

Dow appreciates the chance to share our views and applauds the committee's work to gather more information on domestic partner benefits within the workplace. We strongly support the addition of these policies to all workplace environments and stand ready to assist the federal government in the review of its own policies in this area. We welcome any further questions you may have.

Exhibit A

**Our Global Policies for Inclusion -- Respect and Responsibility**

**(<http://www.dow.com/diversity/beliefs/inclusion.htm>)**

We encourage a culture of mutual respect in which everyone understands and values the similarities and differences among our employee, customers, communities and other stakeholders. We work to provide an atmosphere that encourages positive interaction and creativity among all employees.

It is the policy of The Dow Chemical Company that employees be provided a work environment which is respectful and free from any form of inappropriate or unprofessional behavior, such as harassment including sexual harassment, pestering or bullying and any form of unlawful discrimination based on sex, gender, race, sexual orientation, gender identity, disability, age, ethnic origin, or other inherent personal characteristic protected by law.

**STATEMENT OF DOMESTIC PARTNER RELATIONSHIP**

I. DECLARATION

In order to establish a domestic partner relationship to qualify for certain benefits that The Dow Chemical Company and certain of its subsidiaries (“Dow”) determines to offer in their sole discretion to Domestic Partners from time to time, we, \_\_\_\_\_ and \_\_\_\_\_

participant Name / ID Number or Social Security Number (print) ("participant")	Domestic Partner Name (print) ("Domestic Partner")
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certify that we are Domestic Partners in accordance with the criteria listed in Section II of this Statement and we certify further that we have read and understand all of the provisions of this Statement.

II. CRITERIA

We certify that we meet all of the following criteria:

- A. We have lived together for at least twelve (12) consecutive months immediately preceding our signing of this Statement;
- B. We are not married to other persons either now, or at any time during the twelve month period;
- C. We are each other's sole domestic partner in a committed relationship similar to a legal marriage relationship and we intend to remain in the relationship indefinitely;
- D. If we reside in a state or municipality which provides for registration of domestic partners, we have so registered and we have provided the Company with evidence of such registration;
- E. We are both legally competent and able to contract;
- F. We are not related to each other in a way which would prohibit legal marriage between opposite sex individuals;
- G. We are not acting fraudulently or under duress; and



H. We are financially interdependent and have provided the Company with the following two items of proof evidencing our financial interdependence:

(check any two of the following)

- proof of joint bank account
- proof of joint lease/ownership of mutual residence
- joint billing statements for residential utilities (gas, electric, telephone, etc.)
- joint insurance documents (property, life, automobile)
- joint credit card accounts
- joint loan agreements
- joint automobile ownership

Or

We certify that we are registered as domestic partners, or partners in a civil union in a state or municipality or country that legally recognizes such domestic partnerships or civil unions and we have provided the Company with evidence of such registration.

### III. CHANGE IN DOMESTIC PARTNERSHIP

We agree to notify The Dow Chemical Company, or in the case of an employee benefit plan, the Plan Administrator (collectively referred to in this Statement as “the Company”) if there is any change in our status as it relates to our Domestic Partner relationship. We further agree that such notification must be made within 30 days of a change in status by the participant submitting to the Company a completed Termination of Domestic Partner Relationship form.

We acknowledge that only the participant's signature is required on such form and that the Company is under no obligation to notify the Domestic Partner of the filing of the Termination of Domestic Partner Relationship form or termination of any applicable benefits.

We understand that, regardless of whether a Termination of Domestic Partner Relationship form is filed, a Domestic Partner relationship is no longer recognized by the Company if the participant and Domestic Partner no longer meet the criteria of a domestic partner relationship as set forth in Section II of this Statement, the effect of which shall be the same as if a Termination of Domestic Partner Relationship form has been filed. The Company, however, has no affirmative obligation to change the status until it has satisfactory notice of the change in status. With respect to relocation benefits, such benefits for the Domestic Partner shall automatically cease at the end of the month following the earliest of any of the following:

- A. the termination of participant's employment with the Company
- B. the death of participant
- C. the death of Domestic Partner
- D. the failure of participant and Domestic Partner to continue to meet the criteria for a domestic partner relationship as set forth in Section II of this Statement
- E. the filing of a Termination of Domestic Partner Relationship form with the Company.

All other terms and conditions of the applicable benefit plan or policy or procedure apply.

Participant understands that another Statement of Domestic Partner Relationship for any new or former domestic partner cannot be filed with the Company until at least twelve (12) months after there has been a termination of Domestic Partner benefits for any reason.

#### IV. ACKNOWLEDGEMENTS

We further understand and agree as follows:

- A. We certify that this Statement is submitted for the purpose of securing certain benefits for Domestic Partner and we affirm under penalties of perjury that the statements made in this Statement are true and accurate representations to the best of our knowledge.
- B. We understand that if any of the representations contained in this Statement are false or fraudulent, any benefits provided to Domestic Partner will be void or voidable, retroactive to the date of this Statement.
- C. We understand that we are jointly and severally responsible for the reimbursement of any expenses incurred as a result of any false or misleading statement contained in this Statement, or as a consequence of failing to notify the Company of a changed circumstance affecting the eligibility of our Domestic Partner Relationship. Such expenses may include legal fees and the cost of any benefits paid by the Company to Domestic Partner.
- D. We understand that the purpose of this Statement is to establish a Domestic Partner Relationship only and, that by accepting this Statement the Company does not guarantee eligibility for coverage or benefits for Domestic Partner as eligibility for coverage and benefits is determined on

the basis of all of the terms and conditions of the applicable Company benefits policies or plans, and state and federal law.

- E. We acknowledge that we are advised to consult an attorney regarding the possibility that the filing of this Statement may have certain legal and tax consequences, including the fact that it may, in the event of a termination of the Domestic Partner Relationship, be regarded as a factor leading a court to treat the relationship as the equivalent of marriage for the purpose of establishing and dividing community property, or for ordering payment of support.
- F. participant acknowledges that the making of any false or misleading statements in this Statement may lead to disciplinary action by the Company which may include dismissal.

V. DOW'S RIGHTS

- A. Dow reserves the right to modify or amend, at any time and in any way whatsoever, the terms of any applicable benefits, including eligibility requirements or the terms and conditions for coverage of Domestic Partners or to terminate coverage completely.
- B. Dow reserves the right to modify the criteria for establishing a Domestic Partner relationship and to request appropriate additional documentation in support of this Statement.

We declare, under penalty of perjury under governing state laws, that the statements set forth above are true and correct.

participant:

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Domestic Partner:

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_