

Notice to All Active Employees and Retirees

New Dependent Child Expansion of Coverage Effective July 1, 2008

Frequently Asked Questions (FAQs)

Beginning July 1, 2008, there is an expansion of coverage for your eligible Dependent Children! Effective July 1, 2008, you may cover a dependent child through the end of the month in which he/she turns age 25, as long as he/she continues to meet all eligibility requirements.

Dependent children who are certified as disabled prior to reaching age 25 may continue to be covered beyond age 25 as long as they are medically certified as “disabled” every two (2) years, and continue to meet all other eligibility requirements.

How do I know if my child is eligible?

Your child must meet ALL three types of Dependent Eligibility Criteria:

1. Be an Eligible Dependent Type; AND
2. Meet Qualifying Non-Tax Criteria; AND
3. Meet Qualifying Tax Criteria.

Look at each of the three criteria below in the order they appear to help you determine if your child is eligible for coverage:

Criteria #1. Eligible Dependent Type: Is your child ONE of the following?

- a) your biological child;
- b) your adopted child or a child placed with you for adoption by you;
- c) your stepchild;
- d) your grandchild;
- e) a child who permanently resides with you, and for whom you are the testamentary or court appointed guardian, other than a child under temporary guardianship of less than 12 months duration; OR
- f) a child who is related to you by blood or marriage, who permanently resides with you and for whom you provide sole support;

AND

Criteria #2. Qualifying Non-Tax Criteria: Does your child meet BOTH of these criteria?

- i) Is your dependent child unmarried;

AND

- ii) Is your dependent child either:
 - a) under the age 25, through the end of the month in which the child turned 25; OR
 - b) at the time of reaching the age of 25, incapable of self-support because of a mental or physical incapacity incurred before age 25 and is chiefly dependent on you for support;

AND

Criteria #3. Qualifying Tax Criteria: Does your child meet ONE of the following TWO tax-qualifying criteria as either a 1) “Qualifying Child” or 2) “Qualifying Relative”?

- I. Is the child a Qualifying Child?

Qualifying Child test (meets all four)

- 1. the child is your child, adopted child (or placed for adoption), legal ward or child placed with you under court order, stepchild or sibling or a descendent of your child or sibling (e.g., grandchild, niece, or nephew);

- AND 2. the child lives with you for more than half of the year (more than 6 months) or meets the residence exception below;

Residence exception for the Qualifying Child (applies only to biological or adopted children): If the following two conditions are met, your dependent biological or adopted child is considered to have met the requirement that the child lives with you for over half of the year;

- A. the child receives over one-half of the child’s support during the calendar year from the child’s parents, who (i) are divorced or legally separated under a decree of divorce or separate maintenance (ii) are separated under a written separation agreement, or (iii) live apart at all times during the last 6 months of the calendar year, and

- B. the child is in the custody of one or both of the child’s parents for more than one half of the calendar year;

- AND 3. the child: has not attained age 19 as of the close of the calendar year(s) in which coverage is provided; or is a full-time student for at

least five months of the calendar year who has not attained the age of 24 as of the end of the calendar year(s) in which coverage is provided; or is permanently and totally disabled;

AND 4. the child has not provided more than one-half of the child's own support for the calendar year(s) in which coverage is provided.

OR

II. Is the Child a Qualifying Relative?
Qualifying Relative Test (meet all three)

1. the individual has a specified relationship to you: your child, your stepchild, your adopted child (including placement for adoption), your grandchild, your niece, your nephew, your sibling, or a person who is not your lawful spouse who lives with you and is a member of your household for the entire year (this includes a legal ward);

AND 2. you provide over one-half of the individual's support for the calendar year(s) in which coverage is provided;

AND 3. the individual is not your or anyone else's qualifying child (see test above) for the tax year(s) in which coverage is provided.

The Qualifying Tax criteria apply on a calendar year basis – if your covered dependent child meets the tax criteria for only one of the two calendar years covered by a plan year in the State benefits program, you must make sure that the child is enrolled and covered only during the calendar year period for which the child is eligible. This means that you might have to remove your child from coverage effective January 1 – in the middle of the plan year - if the child does not meet the qualifying tax criteria for the calendar year beginning January 1.

Questions?

Please see the following pages for Frequently Asked Questions about Dependent Child coverage. **The Answers reflect the new Dependent Child Criteria that are effective July 1, 2008.**

1. **Question:** My spouse has two children ages 10 and 12 from a previous marriage. My spouse has joint custody. My stepchildren stay at our house one-half of the time and at the ex-spouse's house the other one-half of the time. Can I put my two stepchildren on my coverage?

Answer: Stepchildren are a type of eligible dependent. They must be unmarried and under age 25, so your stepchildren do meet the non-tax criteria. They still must meet the tax-qualification criteria to be either a Qualifying Child or a Qualifying Relative. Please review the tax-qualification criteria, Criteria #3, above.

2. **Question:** My wife and I are in the process of adopting a child. The adoption agency requires that we have health insurance coverage for the child. When the child is placed in our home, it is a one-year probationary approval process before the child is considered to be permanently adopted. Can I place the child on my coverage during this one-year adoption probationary period?

Answer: Yes, the child may be placed on your coverage during the adoption probationary period. You must provide documentation from the adoption agency, on its letterhead, confirming the placement and time of the probationary period. The adopted child must also meet non-tax eligibility criteria (age and being unmarried) and the tax-qualification criteria for Qualifying Child or Qualifying Relative (Criteria #3, above).

3. **Question:** I have legal guardianship of my 8-year old nephew and he lives with me. Is he eligible for coverage?

Answer: A child under legal guardianship is a type of eligible dependent. You must provide the legal guardianship papers (which indicate the guardianship is not a temporary guardianship of less than 12 months) and your nephew must also reside with you permanently. He must be unmarried and be under the age of 25, so your nephew does meet the non-tax criteria. He must also meet the tax-qualifying criteria that he is a Qualifying Child or Qualifying Relative. Please review the tax-qualification criteria, Criteria #3.

4. **Question:** My sister was killed in a car accident, and I am now taking care of my 12-year old niece. I do not have legal guardianship. However, my niece lives with me and I provide full support. Is she eligible for coverage?

Answer: Your niece is considered to be related to you by blood, so she is a type of eligible dependent. You must affirm that you provide sole support. You are also required to affirm that she permanently lives with you. Your niece must also be unmarried and under age 25 to be eligible. Based on the information provided, she does meet the non-tax criteria. She must also meet the criteria that she is a Qualifying Child or Qualifying Relative. Please review the tax-qualification criteria, Criteria #,

5. **Question:** My 20-year old unmarried daughter attends college part-time, and I had to remove her from my coverage at the end of the year when she turned 19. Can I put her back on my coverage?

Answer: Your daughter does not have to attend school full-time and you no longer need to provide any student certification. She is under age 25, and she is also unmarried, so your daughter does meet the non-tax criteria. Please review the tax qualification criteria, Criteria #3. If your daughter does not satisfy the requirements for the Qualifying Child test due to her school enrollment, she may satisfy the requirements for the Qualifying Relative test. Please review the requirements carefully, as she must be a Qualifying Child or Qualifying Relative to be eligible for coverage.

6. **Question:** My son is 22 and recently divorced. Can I put him back on my coverage?

Answer: Being divorced is considered to be “unmarried,” so your son would meet the criteria of being unmarried. Since he is unmarried and under the age of 25, he meets the non-tax criteria. However, he must still be a Qualifying Child or a Qualifying Relative. Please review the tax-qualification criteria, Criteria #3.

7. **Question:** My 8-year old grandson lives with me during the week, but he goes to stay with my daughter (his mother) on the weekends. Is my grandson eligible for coverage?

Answer: A grandchild is a type of eligible dependent. Your grandson also is under age 25 and unmarried. Therefore, your grandson would meet the non-tax criteria. However, he must be a Qualifying Child or Qualifying Relative. Please review the tax-qualification criteria, Criteria #3.

8. **Question:** My 9- year old son lives with my ex-spouse in another town during the week. According to the Divorce Decree, he stays at my house on weekends and alternative holidays. Can I put him on my coverage?

Answer: Your son is a type of eligible dependent, and he meets the non-tax criteria of being under age 25 and unmarried. However, he must still meet the criteria to be a Qualifying Child or Qualifying Relative. Please review the tax-qualification criteria, Criteria #3.

9. **Question:** My child has Down’s Syndrome. She does not live with my spouse and me, but lives in a group home with other Down’s Syndrome adults. We provide most of her support, although she has a job. She is 30 years old. She has never been married. Is she eligible for coverage as a disabled child?

Answer: You would need to provide the medical documentation of her Down’s Syndrome disability and that this is a disability that prevents her from supporting herself. It is not required that she live with you, but you would also need to affirm, as she is over

age 25, that she is chiefly dependent on you for support. She must also meet the criteria that she is a Qualifying Child or Qualifying Relative. Please review the tax-qualification criteria.

10. Question: Once my dependent daughter or son reaches age 25, can she or he remain on the health benefits plan until the end of the year?

Answer: No, your child will remain on your health benefits plan only until the end of the month in which he or she turns 25. The child will be eligible to continue coverage for up to 36 more months under COBRA, paying the full individual-level premium. At the end of the month in which the child turns age 25, he or she will be automatically removed from your coverage and all coverage levels adjusted accordingly (unless he or she is certified as disabled). The Employee Benefits Division will send a COBRA Election Notice to your son or daughter who loses coverage due to age.

11. Question: If my dependent son or daughter becomes disabled prior to age 25, is he/she eligible to remain on the plan? What documentation do I need to supply?

Answer: Yes, your dependent child can remain on your coverage beyond age 25 as long as the child is medically certified as disabled with a disability that prevents the child from supporting himself/herself. The certification is due every two years. However, he/she must still be unmarried. Your child must also meet the tax-qualification criteria as a Qualifying Child or Qualifying Relative. The required Disability Certification Form is available on the DBM Health Benefits website or by calling the Employee Benefits Division at 410-767-4775.

12. Question: My dependent child is age 24 and will turn age 25 later this year in November. Can I still add him/her to my health benefits plan?

Answer: Yes, you can add him/her to your coverage, and the child can be continued until the end of November (the month in which the child turns age 25), as long as **all** the other eligibility criteria are met (non-tax criteria and qualifying tax criteria).

13. Question: If my eligible biological child has a dependent child of his/her own, can I add BOTH my eligible biological dependent child and my grandchild to my health benefits?

Answer: Your child and your grandchild must each be considered separately for eligibility. Children and grandchildren are each an eligible type of dependent. Both your child and your grandchild must be unmarried and under age 25. Both your child and grandchild must each separately meet the tax-qualification criteria to be a Qualifying Child or Qualifying Relative, Criteria #3.

14. Question: Does my dependent child have to reside in my home to be eligible for coverage?

Answer: There is no State residency requirement for biological children, adopted children, stepchildren, or grandchildren. Legal wards and other child relatives related to you by blood or marriage must reside with you permanently. Child relatives who reside with you and for whom you are not the legal guardian must be solely supported by you. To be eligible for coverage, all dependent children must still be unmarried, under age 25 or disabled, and meet the tax-qualification criteria as a Qualifying Child or Qualifying Relative, Criteria #3. Please note that the Qualifying Child tax test does have a residency requirement.

15. Question: Is my step-grandchild eligible to be covered?

Answer: A step-grandchild would be considered a type of “child who is related to you by blood or marriage.” As a type of “other child relative,” your step-grandchild would have to permanently reside with you, and you would have to provide sole support for your step-grandchild to be covered. Your step-grandchild would also have to meet the same non-tax criteria of being under age 25 and unmarried. Your step-grandchild would also have to meet the same tax-qualifying criteria of being a Qualifying Child or Qualifying Relative.

16. Question: My spouse’s divorce decree makes my spouse responsible for providing health insurance for my stepchildren. The children live with the ex-spouse. Can I cover my stepchildren?

Answer: To be eligible for coverage, your stepchildren must still meet the qualifying non-tax criteria (be unmarried and under the age of 25) and the qualifying tax criteria of being either tax-qualifying children or tax-qualifying relatives, Criteria #3. Please review this information carefully because simply the requirement that your spouse cover your step-children does not automatically qualify the step-children for coverage.

17. Question: My daughter is 21 and does not attend any school at all. Can I put her back on my coverage?

Answer: Based on the information you provided, your daughter meets one of the qualifying non-tax criteria (Criteria #2), being under age 25. She must also meet the other qualifying non-tax criteria, of being unmarried. She must also be a Qualifying Child or Qualifying Relative, Criteria #3. Please review the requirements carefully.

Because one of the requirements for a Qualifying Child who is over age 19 is to be a full-time student for at least 5 months of the calendar year during which coverage is provided, your 21 year old daughter who does not attend school will not meet the requirements of a Qualifying Child. She may, however, be a Qualifying Relative if you provide over one-half of her support for the calendar years during which coverage is provided.

18. Question: I take care of my disabled mother, who lives with me and I carry her on my taxes as a dependent. Can I put her on my coverage?

Answer: No, you cannot carry your mother on your coverage. She does not meet the definition of being a child.

Only dependent parents who receive a specific type of death benefit of deceased State Police Officers who died while employed by the State are eligible for coverage in the State employee and retiree health benefits plans.