

Important Information Regarding Adult Children's Eligibility For 2011 Health Insurance



Wisconsin Department
of Employee Trust Funds

This contains important information about your adult child's eligibility for health insurance coverage under the state of Wisconsin group health insurance program in 2011.

You do not need to complete and return a questionnaire as you may have in the past.

Eligible children currently insured under

the program will remain covered until you delete them. Read on to learn about:

1. Eligibility criteria for adult children.
2. Tax consequences of insuring an adult child.
3. Steps to take if you wish to continue, add or remove your adult child's coverage.
4. Where to get additional information.



1. Eligibility criteria for adult children

There are changes to the eligibility of adult children effective January 1, 2011, due to the federal Patient Protection and Affordable Care Act (PPACA) on health care. The following children are newly eligible through the end of the month in which they turn 26 years old: married children and children who previously were not eligible because they were eligible (but not enrolled) for other employer group coverage. Below is a summary of the eligibility criteria for adult children.

Child's Age	Eligibility Criteria	Date Eligibility Ends ¹
19 up to 26	<p>Married child: Eligible, unless the child is enrolled in other employer group coverage that is not through a parent. <i>Note: A married child's spouse and children are not eligible.</i></p> <p>Unmarried child: Eligible, unless the child is enrolled in other employer group coverage through his or her own employer that costs less than what you have to pay to add your child to your policy.</p>	End of month the child turns 26.
26 up to 27	To be eligible, child must be unmarried and not eligible for health insurance through his or her own employer that costs less than what you have to pay to add your child to your policy.	End of the month in which the child (whichever happens first): <ul style="list-style-type: none"> • turns 27; or • gets married; or • becomes eligible for health insurance through his or her own employer that costs less than what you have to pay to add your child to your policy.
27 and older	<p>To be eligible, child must be unmarried and one of the following:</p> <ul style="list-style-type: none"> • Disabled and dependent upon you (or other parent) for at least 50% of his or her support. <i>Note: Your health plan may require you to verify your disabled child's eligibility each year.</i> <hr/> <ul style="list-style-type: none"> • Full-time student after fulfilling active military duty. <i>Note: Child must have been called to active duty when he or she was younger than age 27 and a full-time student, and must apply as a full-time student within 12 months of discharge.</i> 	End of the month in which the child: <ul style="list-style-type: none"> • Is no longer determined to be disabled by the health plan or does not meet the support requirement, whichever happens first. <hr/> <ul style="list-style-type: none"> • Ceases full-time student status.

¹Notify your payroll/benefits office (if you are an employee) or ETF (if you are a retiree) within 60 days of your child's loss of eligibility so your child can be offered the opportunity to elect COBRA continuation coverage.

2. Tax Consequences Of Insuring an Adult Child²

PPACA eliminates **federal** tax liability for the fair market value of health coverage for your child through the year in which they turn 26.

Note: Federal law does not extend this to children of your domestic partner. The chart below has a summary of tax consequences.

Child's Age	Federal Income Tax	Wisconsin State Income Tax
19 up to 26	No imputed income through the end of the calendar year in which your insured child turns 26.	Imputed income if your insured child is not a tax dependent.
26 up to 27	Imputed income for the months that your child is insured in the calendar year in which your child turns 27, if your child is not a tax dependent.	Imputed income if your insured child is not a tax dependent.
27 and older	Imputed income if your insured child is not a tax dependent.	Imputed income if your insured child is not a tax dependent.

²Please notify your payroll/benefits office (if you are an employee) or ETF (if you are a retiree) when your child's tax dependent status changes.

3. Steps To Take If You Wish To Continue, Add Or Remove Your Adult Child's Coverage

PPACA allows for an open enrollment period to add your adult child who previously was not eligible for coverage. Below is a summary of the action you must take.

Coverage Desired	Action to Take	Effective or Termination Date
Your adult child is currently covered and you want to continue to cover him or her in 2011.	No action needed. Your child's coverage will be continued. <i>Note: You can only continue to cover your child if he or she remains eligible.</i>	Coverage continues with no gap in coverage.
Your eligible adult child is currently <i>not</i> covered and you want to add him or her.	During the It's Your Choice enrollment period, go to the myETF Benefits portal ³ or submit a Group Health Insurance Application/ Change Form (ET-2301) to add your child. (Note: The ET-2301 is located at the back of the It's Your Choice: Decision Guide booklet.)	Your child's coverage will be effective January 1, 2011.
Your adult child is currently covered and you want to remove him or her from your policy.	During the It's Your Choice enrollment period, go to the myETF Benefits portal ³ or submit a Group Health Insurance Application/Change Form (ET-2301) to delete your child. (Note: The ET-2301 is located at the back of the It's Your Choice: Decision Guide booklet.)	Your child's coverage will terminate on December 31, 2010.

³UW employees should file a paper application with their payroll/benefits office.

4. Where To Get Additional Information

- **It's Your Choice booklets** (online at etf.wi.gov) – For information on eligibility of adult children, please see the following publications:
 - Decision Guide booklet – See Important Changes and Frequently Asked Questions
 - Reference Guide booklet – See PPACA: Dependent Coverage Notice, Frequently Asked Questions, and Uniform Benefits for complete definition of “Dependent”
- **It's Your Benefit newsletter** (online at etf.wi.gov) – For general information.
- **Health Plan** – For information about participating providers, benefits and exclusions.
- **Employer** (*Payroll/Benefits Office (if you are an employee) or ETF (if you are a retiree)*) – For information about eligibility and enrollment.
- **ETF** – For general information, call 1-877-533-5020 (toll free).
- **IRS Publication 501 or Your Tax Advisor** – For information on claiming a child on taxes.