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RE: Insurance Coverage for Adult Children up to Age 27

If you have a young adult in your household, and you did not previously determine them eligible under your health insurance plan, read this information carefully. Based on this information, employees may need to submit enrollment forms before December 31st for their adult children for coverage effective January 1, 2010.

A new state law allows young adults to be able to receive coverage through their parents' health care plan. This week the Governor announced an emergency rule from the Office of the Commissioner of Insurance (OCI) clarifying how eligibility is determined for adult children up to age 27.

The most notable clarification is how to determine whether or not your adult child, who is working and eligible for health insurance coverage through his/her own employer, can be added to your state insurance plan. To determine eligibility, the amount of the adult child's premium contribution is to be compared to the additional amount you are required to pay for inclusion of the adult child under your policy. (i.e. If you already have the family plan, then the additional premium amount to add a dependent is zero. Therefore, if your adult child's premium contribution is greater than zero, they are eligible to enroll.)

NOTE: *This does not change the information about the imputed taxable income, which is separate from determining eligibility of the adult child.*

Another notable clarification pertains to the eligibility of an adult child over age 27 that is a full-time student and was called to federal active duty in the National Guard or in a reserve component of the U.S. armed forces. The rule clarifies that if your adult child applies to an institution of higher education as a full-time student within 12 months from the date he/she has fulfilled their active duty obligation then they become an eligible dependent for insurance purposes.

As a result of the enactment of the rule and these noted changes, the Department of Employee Trust Funds (ETF) has updated the "Children to Age 27 Q&A" on its website at: http://etf.wi.gov/publications/dependent_mandate_2010.pdf. Revisions and new information are flagged. As mentioned above, ETF has extended the enrollment period for adult children. Employees need to submit enrollment forms before December 30, 2009 for coverage effective January 1, 2010.

One other consideration that doesn't affect coverage: **Tax dependency may be established using several methods including, but not limited to qualifying children and qualifying relative(s).** [IRS Publication 501](#) provides the criteria for determining tax dependency. If you have any questions concerning the tax status of any dependent, please review Publication 501 and consult your tax advisor.