

## Human Resources: Mass Health Care Reform - Dependent Eligibility

The State of Massachusetts requires employers to make available continued medical coverage to dependent children under their parent's plan up to:

- the child's 26th birthday, OR
- two years after the child loses federal tax 'section 106' dependent status, whichever occurs first

### Related Files

- » [2010 Affidavit of Tax Dependent Status \(pdf\)](#)
- » [2010 Dependent Status Form \(pdf\)](#)

While there is not a similar mandate for dental coverage, the Institution has decided to expand dependent eligibility for dental coverage to mirror the state law on health insurance.

All employees who have included dependent children age 19 - 26 on their health and/or dental coverage must complete an 'Affidavit of Tax Dependent Status Form' and a 'Dependent Status Form' on an annual basis. These forms are used by Human Resources for two purposes: 1) to determine whether or not the dependent child is eligible for coverage and 2), whether or not the cost of the coverage needs to be treated as imputed income to the employee.

### Eligibility

After you complete and submit the forms, Human Resources will make a determination, according to the rules issued by the Massachusetts Division of Insurance, as to whether your dependent may enroll/continue to be enrolled in the Institution's medical and dental plans.

Under the law:

- Full-time students and/or child federal tax dependents are eligible for family coverage until their 26th birthday
- Children who lose tax dependent status on their 24th birthday or who stop attending school on a full-time basis are eligible for a two-year (tax year) coverage extension under the family policy
- The two-year extension begins on January 1 of the year in which the dependent child loses tax dependent status or stops attending school on a full-time basis. It will last through the earlier of:
  - the end of two calendar years following the last year in which at least 50% of the dependent's support was provided by his/her parent(s), OR
  - the child's 26th birthday

### Imputed Income

While the state allows you to cover a grown child as a dependent on your insurance policy, it does not necessarily mean your grown child can be considered a dependent for income tax purposes. Under Treasury regulations, providing health care coverage for a child who is not a tax dependent is considered a fringe benefit and WHOI is required to report the "fair market value" of such a benefit as taxable income to the employee. Fair market value equates to the full cost of individual coverage for the plan in which the dependent is covered. Imputed Income will apply to both medical and dental coverage (if applicable).

If you plan to include a dependent child age 19 - 26 on your coverage, you MUST complete the separate Affidavit of Tax Dependent Status, and the Dependent Status Form.

For questions regarding eligibility or imputed income, please contact Human Resources at x2253.

*Last updated: October 3, 2014*

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