



## FREQUENTLY ASKED QUESTIONS

### Dependent Eligibility Audit (DEA) Process

#### I. GENERAL INFORMATION:

**1. What is a Dependent Eligibility Audit (DEA)?**

A Dependent Eligibility Audit is a review of **selected** dependent coverage elected by employees to ensure dependents meet the Benefit Plan eligibility criteria offered by the District. *(Previously verified dependent children or other enrolled, but exempted, dependents are not requested to be verified for Plan Year 2011/2012.)*

**2. I already certified my dependent(s) as an-IRS qualified dependent(s) last year during annual open enrollment. Do I still need to complete and submit the *Cover Sheet for Dependent Verification* and required documents?**

Only (a) spouses and CA-registered same-sex domestic partners, (b) newly added dependents, and (c) same-sex domestic partners' children will be verified during this annual dependent eligibility audit. Dependent children who have qualified for benefits in **Plan Year 2010/2011** and experienced no gap of coverage at all in **2010-11** will not be subject to audit for **Plan Year 2011/2012**.

**3. Who should I send my *Cover Sheet for Dependant Verification* and required documents to?**

Mail to: Secova Service Center  
PO Box 1901  
Wall, NJ 07719-9966

Phone: 1-866-364-2594 (toll-free)  
Fax: 1-866-585-6860 (toll-free)  
Website: <https://verify.secova.com/fhda>

**4. What happens if one or more of my enrolled dependents does not meet eligibility requirements as listed in the attached eligibility rules?**

You must check the "**No**" box on the *Cover Sheet for Dependent Verification* and your ineligible dependent(s) will be terminated from the District's coverage effective June 30, 2011.

**5. Will I receive a confirmation once my documentation is received?**

Yes. Secova will mail a confirmation notice once your verification is complete. If your *Cover Sheet for Dependent Verification* and required documentation have been processed but Secova determines your documentation is incomplete, they will send you a notice of what information is required to complete the verification process.

**6. What happens if I do not return the (a) *Cover Sheet for Dependent Verification*, (b) required documentation, and (c) 2010 Application for Automatic Extension of Time to File U.S. Individual Income Tax Return (Form 4868 - if applicable), before the deadline?**

Coverage for your spouse/dependent child(ren) under the District medical, dental, vision, and life insurance will be terminated effective June 30, 2011.

**7. What will Secova do with my documents? Will my personal information be safe with Secova?**

Please do not submit original documents to Secova, only photocopies. When Secova receives your documentation, the paper documentation is converted to an electronic image, which will be stored on a secure system with password-protected access. After the audit is complete, all documents will be destroyed.

**8. Who can answer my questions about the definition of an eligible dependent?**

Please call Secova at **1-866-364-2594** (toll-free). Representatives are available Monday through Friday, 8:00 AM – 6:00 PM PST. Your conversation is always confidential. Inquiries will not be shared with the District.

#### II. WHICH DEPENDENTS ARE ELIGIBLE FOR COVERAGE?

**9. Who can I claim as my eligible dependent?**

Please see the enclosed *Dependent Definitions and Required Documents* for details of who is eligible for coverage under the plan. Eligible individuals must have been enrolled during the Annual benefits Open Enrollment scheduled in April.

**10. If I remove my spouse or one or more eligible dependents from my coverage, will my benefits coverage category automatically change?**

If appropriate, your coverage category will be changed at the time your ineligible dependent(s) is dropped from District coverage. For example, if an eligible dependent is dropped from coverage and only the spouse remains, Employee + Family would change to Employee + Spouse.

**11. Do I need to provide verification for my dependent child who is a full-time student?**

No. The Plan does not require that your dependent child is a registered full-time student at all. Please refer to the Definition of Eligible Dependents document for details.

**12. The District plan allows me to cover a "disabled" child over the age of 26. What proof of disability must I provide, if proof is requested?**

*You must claim your dependent child(ren) on your Federal Income Tax Return. Please submit a copy of your 2010 Federal Income Tax Return with financial information blacked out.*

The child has to (a) be developmentally disabled or physically handicapped and not self-supported; and (b) have become developmentally disabled or physically handicapped prior to reaching 19 years of age and (c) is covered under this plan. You would have had to enroll him/her for benefits when you were eligible to do so, in order to retain dependent coverage for as long as you are continued to insure under the Plan

If the disabled child is initially insured under the District Plan age 19 or older, once the child turns 26, he/she is no longer eligible for coverage beyond age 26.

**III. WHICH DEPENDENTS ARE NOT ELIGIBLE FOR COVERAGE?**

**13. Which dependents are not eligible?**

- Dependents not listed on the enclosed *Dependent Definitions and Required Documents*;
- Parents or spouse's parents;
- Dependent children in the armed services on a full-time basis;
- Ex-spouses even if court ordered; and
- Live-in companions who are not legally married to the employee, with an exception to *CA-Registered or non-registered Same-Sex Domestic Partners*.

**14. What happens to the coverage of individuals who do not meet the definition of an eligible dependent?**

Dependents who are dropped from District coverage effective June 30, 2011:

- May be eligible for COBRA coverage
- If eligible, you may request COBRA for an extension of 18 months by self-paying for the entire benefits cost

*The District reserves the right to request documentation proving prior eligibility status — such as a divorce agreement, or court order — from individuals who enroll in COBRA.*

For information regarding COBRA, please access our web page: <http://hr.fhda.edu/benefits/COBRA>

**15. My child got married but still lives with me. Can I still cover him/her under District plans?**

As long as your child is under age 26, the child may be covered under the District plans. He/she is not required to be your taxable dependent under the new Health Care Reform. The coverage of the child is not subject to federal income or payroll taxes through the end of the calendar year in which your child turns 26. Your child may be eligible for COBRA coverage upon reaching age 26. Your child's dependent(s) (Spouse, *CA-Registered or non-registered Same-Sex Domestic Partner* or children), however, may not be covered.

**16. My dependent child works for the District. Can I still cover him/her under my District benefits?**

No. If your child is a District employee and is eligible for District group coverage, then he/she must enroll in his/her own coverage.

**17. My child has joined the military full-time. Is my child eligible for coverage under the plan?**

No. He/she would cease to be an eligible dependent upon the date of his/her entry into full-time active duty in the Uniformed Services. Please refer to the District Summary Plan Description (SPD) for details on eligibility for re-enrollment upon discharge from the Uniformed Services.

#### **IV. DOCUMENTATION TO PROVE ELIGIBILITY:**

##### **18. Should I provide the supporting documentation for my dependents to Human Resources?**

No. Please send verification documents to Secova via fax or by using the postage paid envelope included in this packet. Secova will review and confirm verification of your spouse and/or dependents.

*To ensure the highest protection of your privacy and to preserve your identity, please be advised that any individual's tax records received by the District will be shredded immediately upon receipt, and will **not** be forwarded to Secova for further processing.*

##### **19. Can electronically submitted tax returns (such as Turbo Tax) be submitted as verification documentation?**

Yes, **IRS e-File** is accepted without signature; However, you **must submit** one of the following:

- o **Form 9325** (Acknowledgement and General Information for Taxpayers Who File Returns Electronically) **OR**
- o **Form 8879** (IRS e-file Signature Authorization) **OR**
- o **CPA or Professional Tax Preparer's Certification of Electronic Tax Filing**

##### **20. How to submit required documentation:**

- **To avoid processing delays** - Write your Name, FHDA Verification# and "FHDA" in the top right hand corner of each document you submit.
- **Send copies only** - No originals.
- **Document proofs** - Birth Certificates, Marriage Licenses, etc. are to be copied and submitted on a individual sheets, one-sided. The back side is to remain blank.
- **Confidentiality** - Each member should submit their own documentation. Do not submit documentation on behalf of other members.
- **Sending multiple verification documentation** - Whether you are uploading, faxing or mailing the required documents, make sure each document is copied on its own separate page. (For example, if you are submitting a Marriage Certificate for your spouse and a Birth Certificate for your child, the Marriage Certificate should be copied onto one page and the Birth Certificate onto a second page.) The back side should remain blank.
- **Faxing documents** - Make sure documents are placed in the proper position on the fax machine, either face up or face down (depending on the fax machine) to prevent sending blank documents. Blank documents cannot be processed and will result in the dependent(s) being placed in a "NO RESPONSE" status. You are responsible for making sure that your fax is properly transmitted to Secova's secure fax line. Please remember to keep a copy of your fax confirmation page for future reference.
- **Mailing documents** - Use the enclosed prepaid envelope. You may need to use an additional envelope for submitting multiple documents. For speedy processing, do not staple, tape or clip your documents.

##### **21. How to submit a copy of a Federal Tax Return:**

Please use a black marker to hide financial and Social Security Numbers on the tax return before submitting it to Secova. (See sample Tax Return below.) Please note that it is a felony to falsify IRS tax forms in any way.

##### **Specific information required:**

1. You and your spouse's full name
2. Your complete address
3. Social Security Number marked out for you and your dependents
4. Filing status
5. Exemptions (dependents)
6. Your dependents' relationship to you

# SAMPLE TAX FORM WITH FINANCIAL AND PERSONAL INFORMATION MARKED OUT

**Form 1040** Department of the Treasury - Internal Revenue Service **U.S. Individual Income Tax Return 2010** (99) RPS Use Only - Do not write or staple in this space.

**Name, Address, and SSN**  
 1 Your first name and initial: Walker, A. Last name: BROWN  
 2 If a joint return, spouse's first name and initial: Jane W. Last name: BROWN  
 Home address (number and street), if you have a P.O. box, see instructions: RR1 Box 25  
 City, town or post office, state, and ZIP code: Hometown, VA 22870  
 Your social security number: 123-45-6789  
 Spouse's social security number: 987-65-4321

**Filing Status**  
 1 ☐ Single  
 2 ☒ Married filing jointly (even if only one had income)  
 3 ☐ Married filing separately. Enter spouse's SSN above and full name here.  
 4 ☐ Head of household (with qualifying person). (See instructions.) If true qualifying person is a minor, not your dependent, enter true child's name here.  
 5 ☐ Qualifying widow(er) with dependent child

**Exemptions**  
 6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a.  
 b ☒ Spouse  
 c **Dependents:**  

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if child under age 17 / <input type="checkbox"/> if child under age 18 (see instructions)
Michael	Brown	111-11-1111	Son	<input checked="" type="checkbox"/>
Matthew	Brown	222-22-2222	Son	<input type="checkbox"/>
Sarah	Brown	333-33-3333	Daughter	<input type="checkbox"/>

 d Total number of exemptions claimed: 5

**Income**  
 7 Wages, salaries, tips, etc. Attach Form(s) W-2: 123,456  
 8a Taxable interest. Attach Schedule B if required: 12,345  
 b Tax-exempt interest. Do not include on line 8a: 0  
 9a Ordinary dividends. Attach Schedule B if required: 0  
 c Dividend distributions: 0

## V. REQUEST AN EXTENSION DUE TO LATE INCOME TAX FILING FOR 2010:

### 22. Am I still required to provide documentation for my dependent(s) to Secova?

Yes.

**Step 1:** Requires that you submit: (a) a copy of the 2010 Application for Automatic Extension of Time to File Federal Individual Income Tax Returns (Form 4868), (b) necessary documentation for your dependent children\* and (c) Cover Sheet for Dependent Verification to Secova no later than **June 22, 2011** to request an extension.

**Step 2:** Requires that you must submit *the completed 2010 "1040 Federal Income Tax Return"* to Secova to fulfill the DEA compliance by **5:00 PM, October 18, 2011**.

**\*Please be mindful that ANY SELECTED dependent children must be verified by 5:00 PM, June 22, 2011 despite your decision to delay tax filing. A copy of birth certificate is mandatory in this case.**

### 23. What happens if I missed the deadline of late income tax submission to Secova by 5:00 PM, October 18, 2011?

**Option #1:** Failure to provide the required documentation by October 18, 2011, 5:00 PM will disqualify the dependent for coverage effective **October 31, 2011**. All incurred expenses inadvertently paid by the Plan from July 1 – October 31, 2011 for your non-verified dependents will be considered as imputed income, and W-2 for 2011 will reflect the added income accordingly. **Imputed income is considered as taxable income to you.** In the event there is fraud or an intentional misrepresentation of material fact, the Plan may cancel coverage for the dependent(s) retroactively to June 30, 2011.

**Option #2:** Contact Secova to request an Appeal Form, and apply for a One-Time Immunity. The completed Appeals Form and any supporting documentation must be returned to Secova via fax at 1-866-585-6860 (toll-free) by **November 18, 2011. NO APPEALS WILL BE CONSIDERED AFTER THAT DATE.** Please note that the one-time immunity application requires a \$500 late compliance penalty fee, which will be deducted from the next paycheck for active employees. Retirees will be billed directly by the District's accounting department. Payment should be made payable to "FHDA", not Secova.