EFFECTIVE JANUARY 1, 2008, THE DISTRICT IS ENFORCING THE FOLLOWING DEPENDENT COVERAGE PROVISION FOR ALL HEALTH PLANS:

Dependent Definition:

- Your spouse, if your spouse:
    - is not in the Armed Forces of any country; and
    - is not covered under this plan as a Member.
    - is claimed as a tax dependent on the Employee's Federal tax return
    .

- A Surviving Spouse of a Retiree who was a Covered Person at the time of the Retiree's death.

- A Member's Domestic Partner, if the Member and the Domestic Partner furnish proof of joint residency and financial interdependency to the satisfaction of the Planholder

- Your natural or legally adopted children, or your spouse's natural or legally adopted children, if the child:
    - Is under the age of 19, is considered a Qualifying Child by the IRS and is claimed as a tax dependent on the Employee's   Federal tax return, and.
    - Is not in the Armed Forces of any country; and
    - Is not covered under this plan as a Member; and
    - Is under the age of 24, a full-time student, and is considered a Qualifying Child by the IRS and is claimed as a tax dependent on the Employee's Federal tax return.

- Disabled Dependent Children Prior to Age 19:

    Medical Expense Coverage will be continued beyond the maximum age of a dependent child who is incapable of self-support because of Developmental Disability or Physical Handicap and is dependent on you for primary support. You must apply for this continuation within 31 days after the child reaches the maximum age and furnish the plan with the following proof that:

    - Your child is developmentally disabled or physically handicapped and not self-s supporting; and
    - The child became developmentally disabled or physically handicapped prior to reaching 19 years of age for Dependent coverage and is covered under this plan.
    - The child is claimed as a tax dependent on the Employee's Federal tax return.

- Proof must be given within 31 days after the date of the Dependent Child reaches the maximum age for coverage. During the two years after the child reaches the maximum age, the Planholder may request proof of the child's continued disability or handicap. After two years, the Planholder cannot request proof more often than once a year.
- Continuation ceases on the earliest of:
  - The date the child is no longer considered developmentally disabled or physical handicapped according to the Plan; or
  - The date you fail to provide required proof of handicap; or
  - The date Dependent coverage would otherwise cease as described above.

The definition of a dependent child includes a biological child, stepchild, foster child, or a legally adopted child. A Dependent Child also includes a child for whom health care coverage is required through a Qualified Medical Child Support Order or other court of administrative order. The child must have lived with the employee for more than half of the year, and the Employee must have provided more than half of the child's support for the year.

- A domestic partner's child who otherwise meets the requirements above.

Note: With the exception of a Surviving Spouse or Domestic Partner of a retiree, your Dependents may not enroll in the Plan unless you are also enrolled.

IMPORTANT: To meet IRS regulations for the District health plan, we are required to enforce the IRS qualified child/spouse rule. All employees and retirees with insured dependent(s) must claim both the spouse and IRS qualified child(ren) on their federal income tax returns. To determine eligibility, the **Annual Dependent Verification is conducted in May,** where the appropriate dependent verification must be provided. Failure to comply when requested will disqualify your dependent(s) coverage for the selected plan year.

If the dependent(s) is/are illegally claimed, the IRS requires the employee must pay their portion of the contributions after tax and that District's contribution towards the monthly premium equivalent should be counted as **imputed income** to the employee.