

# Dependent Eligibility

## WHO IS AN ELIGIBLE DEPENDENT?

Your dependent can be enrolled in a plan only if they are an eligible dependent. If both you and your spouse work for the same employer, your dependents can be covered by only one of you.

### ELIGIBLE SPOUSE

- Your lawful spouse (you must have a valid certificate of marriage considered lawful in the State of Texas or a signed and filed legal Declaration of Informal Marriage considered lawful in the State of Texas)
- A surviving spouse of a deceased retiree, if the spouse was covered at the time of the retiree's death

### ELIGIBLE CHILD(REN)

- Your natural child under age 26
- Your natural, mentally or physically disabled child, if the child has reached age 26 and is dependent upon you for more than one-half of their support as defined by the Internal Revenue Code. To be eligible, the disability must occur before or within 31 days of the child's 26th birthday.
- Your legally adopted child, including a child who is living with you who has been placed for adoption or for whom legal adoption proceedings have been started, or a child for whom you are named Permanent Managing Conservator

### MANAGING CONSERVATOR

- Dependents may be eligible if employee is the managing conservator with rights to make decisions about the child.
- Your stepchild (natural or adopted child of current spouse)
- Your unmarried grandchild (child of your child) under age 26 who, at the time of enrollment, is your dependent for federal income tax purposes, without regard to income limitations
- A child for whom you are required to provide coverage by court order
- A surviving, eligible child of a deceased retiree, only if the child was covered as a dependent at the time of the retiree's death

## DEPENDENT VERIFICATION

Valid proof of dependent eligibility is required before you can add a new dependent or spouse to the plan.

Check with your Human Resources department for more information.

## WHO IS NOT AN ELIGIBLE DEPENDENT?

Enrollment of an ineligible dependent can be considered fraud and subject you to penalties, including termination of employment, financial risk and criminal prosecution. Anyone eligible as an employee is not eligible as a dependent.

### INELIGIBLE SPOUSE

- Your divorced spouse, or a person to whom you are not lawfully married, such as your significant other
- A surviving spouse who was not covered by the deceased retiree at the time of the retiree's death

### INELIGIBLE CHILD(REN)

- Your natural, age-26-or-older child who is not disabled or whose disability occurred after the 26th birthday
- A child for whom your parental rights have been terminated
- A child living temporarily with you, including a foster child who is living temporarily with you or a child placed with you in your home by a social service agency, or a child whose natural parent is in a position to exercise or share parental responsibility or control
- Your current spouse's stepchild or the stepchild of a former spouse
- A surviving child of a deceased retiree who was not covered as a dependent at the time of the retiree's death
- A sibling, another family member or an individual not specifically listed by the plan as an eligible dependent



# Dependent Eligibility (cont.)

## WHEN A CHILD'S COVERAGE ENDS

You may cover your child (natural child, stepchild, adopted child) in a medical, dental and/or vision plan until the last day of the month in which the child turns age 26, whether or not the child is a student, working, living with you and regardless of the child's marital status. This coverage does not extend to your child's spouse or their children. Your grandchild is eligible only if the grandchild is unmarried and your dependent for federal income tax purposes. You must provide your Form 1040 to prove grandchild dependent status.

## CHANGE IN STATUS

IRS regulations state that unless you experience a qualified change in status event (described below), you cannot change your benefit choices until the next annual enrollment period.

The qualified change in status event must result in either becoming eligible for or losing eligibility under the plan. The change must correspond with the specific eligibility gain or loss.

## SPOUSE ENROLLMENT AFTER YOU RETIRE

If your spouse is still working and enrolled in their benefits at work, you can delay your spouse's enrollment in your retiree plan if you wish. If your spouse then loses their employer health benefits due to an employment-related event, you can add your spouse to your applicable retiree benefits at that time, provided you meet the timing rules for a qualifying change in status event.

Examples of a spouse's employment-related event are spouse retirement (and spouse's employer does not offer retiree benefits), loss of job or employer cancellation of benefits. An employment-related event is not a spouse's voluntary cancellation of their employee or retiree benefits or termination from this benefit due to late or non-payment. You cannot add your spouse to your retiree coverage if your spouse is not on your plan when you retire unless they experience the loss of spouse coverage as described above. If you are enrolled in the PPO or HMO plan, the spouse surcharge could apply. Refer to page 4 of this guide for more information.

## IMPORTANT DEADLINES APPLY

You must take action **within 31 days of the qualifying event** — coverage elections are not retroactive. You must notify your Human Resources department of the event AND turn in required paperwork (including proof of the change) within 31 days of the event date.

**Effective date** — The change is effective the first day of the month following the date you notified your employer of the qualified change in status event. Effective date exception: Newborns are effective on the date of birth, and adoptions are effective the date placed for adoption or on the adoption date.



# Dependent Eligibility (cont.)

## QUALIFIED EVENTS

### Change in family status includes:

- Marriage, divorce or annulment
- Death of your spouse or dependent
- Child's birth, adoption or placement for adoption
- An event causing a dependent to no longer meet eligibility requirements, such as reaching age 26

### Examples of events that do not qualify:

- Your doctor or provider is not in the network
- You prefer a different medical plan
- You were late turning in your paperwork

## QUALIFIED EVENTS

Medicare becomes effective on the first day of the month in which you turn 65, regardless of if you are at full retirement age for Social Security benefits. If your 65th birthday is on the first day of the month, then Medicare becomes effective the first day of the prior month. This applies to your covered spouse as well.

