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The Effect of the Affordable Care Act  
(ACA) on the State's Salary  
Reduction Plan

**Vinita Biddle, CEBS**  
**Benefits Strategist**



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The Affordable Care Act does not require employers to provide dependent medical coverage, but, if they do, the coverage must adhere to the ACA coverage mandates

For Employees' natural, adopted, step, or foster children – the ONLY acceptable criteria for determining eligibility for medical coverage for children under age 26 is the child's relationship to the employee.



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All natural, adopted, step and foster child under age 26 are eligible for coverage as of July 1, 2011.

It no longer matters if they are or aren't ...

- Unmarried
- Tax Dependent
- Residing with Employee
- Financially Dependent on Employee



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## **Change of Status Events Affecting Eligibility**

Elections are generally irrevocable for the duration of the plan year in accordance with federal treasury regulations and plan documents.

Changes are permitted for Change of Status events **ONLY** if the event affects eligibility for coverage and is consistent with the requested change.



## **Something to Consider**

You will no longer be able to change your election during the plan year when your child marries, leaves home, or ceases to be financially dependent on you.

You will no longer be able to change your election during the plan year when your child moves in with you, or becomes financially dependent upon you.



## **Under What Circumstances Can You Enroll Your Child During the Plan Year?**

Involuntary loss of other medical coverage

- child is no longer eligible for student insurance
- carrier stops selling medical coverage

Loss of coverage under another employer's plan

- termination of employment
- other employer's open enrollment

You must make the change in the State's online benefit administration system (BAS) and submit documentation within 31 days of the loss of other coverage.



## **When Can You Disenroll Your Child?**

Your child becomes covered under the plan of another employer, e.g.

- Your child's employer
- Your child's spouse's employer
- Your spouse's employer

You must make the change in the State's online benefit administration system (BAS) and submit documentation within 31 days of acquiring other group coverage.



## **Other Qualifying Events**

More detailed information can be found in the State's plan documents on the Benefits website.

Please refer to the Salary Reduction Plan Document for a description of other qualifying events.



## Frequently Asked Questions

Q - My adult child hasn't reimbursed me for the cost of his coverage as he promised to do. Can I drop his coverage?

A - No, not until next open enrollment, or until he is covered by another employer's plan

Q - I'm enrolled in a regional HMO. My adult child has moved out of the area? May I switch to another plan?

A - No, not until next open enrollment unless you (the employee) move out of the service area.



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Q - My 19-year old daughter has threatened to marry against my wishes. Why I should have to keep her on my plan?

A - If your daughter's husband enrolls her in his employer's plan, you may change your election. Otherwise, you'll have to wait until open enrollment or she becomes enrolled in her own employer's plan.

Q - My 24-year old son is going back to school. We'd like to help him out by putting him and his wife and baby on our plan.

A -Your son is an eligible dependent, but not his wife and their baby. You may add your son during open enrollment.



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Q – My son elected COBRA earlier this year when he became ineligible at age 25. Will I be able to bring him back on to the State's plan?

A – Yes, since your son is not yet age 26, you may enroll him as your dependent during open enrollment for a July 1, 2011 effective date. When your son becomes ineligible at age 26, he will be offered COBRA again.

**Important** ... You son must contact the COBRA administrator if he wishes to cancel his COBRA coverage the end of June.



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