



## Adult Child Coverage Enhancement

To help reduce the number of uninsured Iowans and improve the affordability and accessibility of health care coverage, the State of Iowa has passed new legislation that expands eligibility for young adult children on their parents' health insurance policy. This new law allows children to remain covered on their parents' health care coverage through the end of the year in which they turn 25, are no longer full-time students, or cease to be a resident of Iowa. Adult children may remain covered by their parents as long as they remain full-time students or are totally and permanently disabled, regardless of state of residence.

### TAXABLE HEALTH AND DENTAL INSURANCE FOR FACULTY, P&S AND MERIT SUPERVISORY EXEMPT

Coverage for children who are full-time students or totally and permanently disabled and a tax dependent can continue as long as they continue in that status. There is no residence requirement for students or disabled children. Coverage for children beyond age 18 through the end of the year in which they reach age 25 is available providing the child lives in the state of Iowa regardless of their student status.

The Internal Revenue Service (IRS) has determined that if an employer allows employees to insure dependent children beyond the age of 18 who do not qualify as tax dependents, there is a value that must be added to the employee's taxable income. This taxable income will be added to the monthly salary and is based upon the table below. It is subject to federal withholding and FICA and will be reported on the employee's annual W-2 form.

#### AGE 18 TO 25 TAXABLE MONTHLY INCOME

**PLAN**

**Total number of people covered by insurance plan**

CHIP 2 COVERAGE	2	3	4	5	6	7	8	9
EMPLOYEE/CHILD	\$276.50	\$184.33	\$138.25	\$110.60	\$ 92.17	\$ 79.00	\$ 69.13	\$ 61.44
FAMILY		\$405.67	\$304.25	\$243.40	\$202.83	\$173.86	\$152.13	\$135.22

UICHOICE COVERAGE	2	3	4	5	6	7	8	9
EMPLOYEE/CHILD	\$352.50	\$235.00	\$176.25	\$141.00	\$117.50	\$100.71	\$ 88.13	\$ 78.33
FAMILY		\$323.67	\$242.75	\$194.20	\$161.83	\$138.71	\$121.38	\$107.89

DENTAL 1	2	3	4	5	6	7	8	9
EMPLOYEE/CHILD	\$37.50	\$25.00	\$18.75	\$15.00	\$12.50	\$10.71	\$ 9.38	\$8.33
FAMILY		\$27.67	\$20.75	\$16.60	\$13.83	\$11.86	\$10.38	\$9.22

DENTAL 2	2	3	4	5	6	7	8	9
EMPLOYEE/CHILD	\$50.00	\$33.33	\$25.00	\$20.00	\$16.67	\$14.29	\$12.50	\$11.11
FAMILY		\$42.33	\$31.75	\$25.40	\$21.17	\$18.14	\$15.88	\$14.11

DENTAL 3	2	3	4	5	6	7	8	9
EMPLOYEE/CHILD	\$53.00	\$35.33	\$26.50	\$21.20	\$17.67	\$15.14	\$13.25	\$11.78
FAMILY		\$46.67	\$35.00	\$28.00	\$23.33	\$20.00	\$17.50	\$15.56

If the child is over 18 through age 25 and a tax dependent, there is no additional income that is applied to the employee's taxable salary. You are responsible for informing the University Benefits Office annually in December if this is the case and will be sent a form to complete to provide this information. Also, please note that if you participate in the Health Care Spending Account program, you will not be able to submit any claims for a dependent over the age of 18 unless they are your tax dependent as defined by the IRS.

### **Instructions for Adding an Adult Child to Your Health and/or Dental Insurance Policy**

You may add an adult child to your insurance during the annual open enrollment period. They may also be added if there is a qualifying event (see <http://www.uiowa.edu/hr/benefits/changes.html>). Once enrolled, you may not cancel their coverage until the next open enrollment period or qualifying event.

#### Adding an Adult Child during Open Enrollment:

If you receive an error message while completing your on-line enrollment or you do not see their name in the list of eligible dependents, contact University Benefits so that we can correct the problem. You can do this by email at [benefits@uiowa.edu](mailto:benefits@uiowa.edu) or by phone (319) 335-2676 or (877) 830-4001 toll free.

If your family status is changing as a result of the addition of an adult child, call or send an e-mail to the University Benefits Office. Please include your name, University or employee ID number, and the fact you need to change your family status. We will adjust your flexible credits and adjust the system so you can add the child to the policies that you desire to. After adding your child, you will be sent a form requesting the following information relating to that child's eligibility: tax-dependent status, student status, marital status, and whether they reside in the state of Iowa. This form must be completed and returned to the University Benefits Office.

#### Adding an Adult Child Due to a Qualifying Event:

Go to the Self-Service web site and into the section entitled "Benefit Change Request" to initiate the process. We will adjust your family status in the Benefits system so that you can add the child to your coverage. After adding your child, you will be sent a form requesting the following information relating to that child's eligibility: tax-dependent status, student status, marital status, and whether they reside in the state of Iowa. This form must be completed and returned to the University Benefits Office.

You will be sent a form relating to your adult child's eligibility status on annual basis in December. This form must be returned to the University Benefits Office. If the form is not returned, taxable income will be added to your paycheck

The University of Iowa Benefits Office does not advise on any personal income tax requirements or issues. Use of any information from this site or any other web site referred to is for general information only, and does not represent personal tax advice either express or implied. You are encouraged to seek professional tax advice for tax questions and assistance.