

NOTICE NEW DEPENDENT ELIGIBILITY RULES

(Public Act No. 08-147)

Effective January 1, 2009

Beginning January 1, 2009, a new Connecticut Law will go into effect allowing parents to cover certain unmarried dependents up to age 26, under the parent's individual or group health insurance plan.

The new definition of a Dependent under this law requires all of the following criteria be met.

- Dependent of the employee
- Under age 26
- Not married
- Not covered under another group health plan by the dependent's employer; ***and***
- Resident of the State of Connecticut ***or*** does not reside in Connecticut because he or she is either a full-time student at an accredited institution outside the State of Connecticut or under age 19.

WHAT DOES THIS MEAN?

If an employee is eligible for the group medical plan and their dependent meets all of the criteria listed above, they may enroll their child as a dependent on the Medical Plan effective January 1, 2009. Once enrolled, the dependent will be covered until the end of the month following the month the dependent has one of the following status changes:

- Marries;
- Ceases to be a resident of the state (except for dependents under 19 years of age or full-time students);
- Becomes covered under a group health plan through the dependent's own employment; or
- Attains the age of 26.

WILL THIS AFFECT THE OPEN ENROLLMENT PERIOD?

For plan years with an effective date of January 1st, dependents will be eligible to enroll during their Annual Open Enrollment period.

For plan years beginning on a date other than January 1st, the Company will be required to hold a special open enrollment for employees who have dependents that meet this new definition. It is recommended that the enrollment period be held in December 2008 to ensure coverage is effective on January 1, 2009 coincident with the effective date of the state mandated benefit.

Dependents that do not enroll by January 1st will not be eligible for enrollment again until either the next Open Enrollment period or a status change occurs.

ARE THERE TAX DEPENDENT REQUIREMENTS?

There is no requirement under the Connecticut law that the employees dependent must be claimed as a dependent for tax purposes. However, there may be tax consequences if your dependent does not meet the definition of a dependent under the Internal Revenue Code.

If you need guidance on taxation, we suggest you seek advice from your tax attorney.