

Dependent Eligibility & Health Insurance Contribution for Hazardous Duty or KRS 61.621 Retirees with Health Insurance Dependents

Following the September 10, 2015 Quarterly Meeting of Kentucky Retirement Systems' Board of Trustees, Kentucky Retirement Systems received several inquiries regarding eligibility for coverage and premium contribution for dependent children of Hazardous Duty or KRS 61.621 Retirees of KERS, CERS and SPRS.

Beginning with the 2011 insurance plan year, Kentucky Retirement Systems began providing access to insurance as well as a premium contribution amount on behalf of the children of a group of retired members until age 26. The expansion of dependents eligible for insurance contribution was a result of ambiguity regarding the requirements of the Patient Protection and Affordable Care Act ("ACA").

Subsequently, Kentucky Retirement Systems determined that while the ACA requires that children be given access to insurance coverage, it does not require contributions to be made on behalf of those children. Accordingly, Kentucky Retirement Systems was compelled to conform its administration of "dependent child" benefits to the provisions of KRS 61.702(4)(b) by only providing an insurance contribution for a "dependent child" as defined by KRS 16.505(17). In part to clarify this issue, Kentucky Retirement Systems drafted 105 KAR 1:410, which became effective February 6, 2015. This regulation was applied during the 2016 insurance plan year.

During the 2016 Plan Year, Kentucky Retirement Systems returned to the definition of "dependent child" found in KRS 16.505(17) to determine if a child of a retired KERS, CERS and SPRS member is eligible for an insurance contribution amount pursuant to KRS 61.702(4)(b). Retired members with children who do not meet this definition may be able to cover their children under the health plans offered by Kentucky Retirement Systems, but will not receive a contribution amount toward the coverage of those children.

Additionally, Health Insurance Open Enrollment materials contain information regarding how a retired member may apply for the health insurance contribution amount under KRS 61.702(4)(b).

Children Eligible for Coverage:

The standard for determining if a child of a retired member is **eligible** for coverage is not affected by the “dependent child” definition. Pursuant to the ACA, children are eligible to remain covered by the parent or guardian’s health insurance until the first day of the month following their 26th birthday regardless of marital status. Step-children, foster children, and children for whom you have been named guardian may also remain on the plan until the first day of the month following their 26th birthday. In some cases, disabled dependents can be carried past their 26th birthday.

Children Eligible for Premium Contributions:

For each Plan Year, the spouse and each **dependent child** of retired hazardous members of KERS, CERS, and SPRS, as well as some disabled members, may be eligible to receive an insurance contribution based upon the retired member’s service.

“Dependent child” means:

1. A child in the womb;
2. A natural or legally adopted child of the member who:
 - a. Has neither attained age eighteen (18) nor married; or
 - b. An unmarried full-time student who has not attained age twenty-two (22).

Solely in the case of a member who **dies** as a direct result of an act in line of duty as defined in this section or who **dies** as a result of a duty-related injury as defined in KRS 61.621, “dependent child” also means a naturally or legally adopted disabled child of the member, regardless of the child’s age, if the child has been determined to be eligible for federal Social Security disability benefits or is being claimed as a qualifying child for tax purposes due to the child’s total and permanent disability;

(See KRS 16.505(17)) Effective July 14, 2018

Frequently Asked Questions Regarding Dependent Eligibility & Health Insurance Contribution For Hazardous Duty Retirees with Health Insurance Dependents

1. **Question:** Is my child eligible for health insurance coverage through my Kentucky Retirement Systems' health insurance plan?

Answer: Children of retired members are eligible for insurance coverage if they meet the plan definition of "dependent." Please see each plan's Summary Plan Description ("SPD") or Medical Benefits Booklet ("MBB") for the plan's "dependent" definition.

Generally a "dependent" is defined as children, until attaining the plan's eligibility age limit (minimum of age 26 pursuant to the ACA), including natural children, legally adopted children, foster children, and stepchildren if the plan holder is the child's primary source of financial support, or children for whom the plan holder has a legal responsibility.

2. **Question:** Is my child eligible for a health insurance contribution amount pursuant to KRS 61.702(4)(b)?

Answer: Pursuant to KRS 61.702(4)(b), a "Dependent child," as defined by KRS 16.505(17), of Hazardous Duty or KRS 61.621 retired members of KERS, CERS, and SPRS, who are receiving a monthly retirement allowance may be eligible to receive an insurance contribution based upon the retired member's service credit.

3. **Question:** What is the Definition of a Dependent Child?

Answer: "Dependent child" means a child in the womb and a natural or legally adopted child of the member who has neither attained age eighteen (18) nor married or who is an unmarried full-time student who has not attained age twenty-two (22). Solely in the case of a member who **dies** as a direct result of an act in line of duty as defined in this section or who **dies** as a result of a duty-related injury as defined in KRS 61.621, "dependent child" also means a naturally or legally adopted disabled child of the member, regardless of the child's age, if the child has been determined to be eligible for federal Social Security disability benefits or is being claimed as a qualifying child for tax purposes due to the child's total and permanent disability;

KRS 16.505(17) Effective July 14, 2018.

4. **Question:** How do I sign my child up for health insurance coverage?

Answer: Eligible retired members may elect Kentucky Retirement Systems' health insurance coverage during the applicable Open Enrollment period or within 35 days after experiencing a qualifying event.

a. Non-Medicare (KEHP) Eligible Open Enrollment

b. Medicare Eligible Open Enrollment

5. **Question:** How do I verify my spouse and dependent child's eligibility?

Answer: Form 6256 (Designation of Spouse and/or Dependent Child for Health Insurance) is required to establish your child or spouse's eligibility for the hazardous contribution toward health insurance. To receive the dependent contribution amount, the retiree must submit this form with their initial application for the benefit and annually thereafter prior to the beginning of the plan year.

By executing the Form 6256 the Retiree is certifying:

1. The Spouse or Dependent Child's personal identifying information;
2. If a spouse, that the person is spouse by lawful marriage, excluding former spouses;
3. If a child, that the child is a natural or adopted child, has never married, and is currently a full-time student, and younger than age 22;
4. That the Retiree will immediately provide written notification when a spouse or child who initially qualified for a contribution or no longer qualifies; and acknowledges
5. That the Retiree will be required to reimburse KRS for the premium contribution amounts paid if the certification was inaccurate or if the Retiree failed to immediately notify KRS when a spouse or child no longer met the eligibility requirements.

6. **Question:** What action must I take regarding the coverage of my former spouse on my Kentucky Retirement Systems insurance plan once I am divorced?

Answer: A former spouse is not eligible to remain on your Kentucky Retirement Systems health insurance plan. If you divorce a spouse who is covered by health insurance in your Kentucky Retirement Systems account, you must notify our office promptly. You must submit a new health insurance application with your spouse removed (or a signed written statement to completely cancel a plan) to this office as soon as the divorce is final. Kentucky Retirement Systems will also require a copy of the Dissolution of Marriage once available. Without proper notification and documentation, you will be required to reimburse Kentucky Retirement Systems for premiums paid on behalf of a former spouse who is no longer eligible for health insurance in your account.

7. **Question:** I have a Medicare eligible child who is a disabled dependent, can they remain on the plan?

Answer: A child shall be considered disabled and eligible for coverage, if they have been determined to be eligible for federal Social Security disability benefits or if they meet the definition by the Department of Employee Insurance for enrollment in the Kentucky Employees Health Plan below: (KRS 61.702(4)(a)). See Question #3 above for additional information.

Please contact the KEHP for more information regarding the KEHP definition of a dependent child.

8. **Question:** I have a child who is a disabled dependent and they are not covered by Medicare at this time, are they eligible for coverage with a KRS health insurance plan?

Answer: Yes, a child shall be considered disabled and eligible for coverage, if they have been determined to be eligible for federal Social Security disability benefits or if they meet the definition by the Department of Employee Insurance for enrollment in the Kentucky Employees Health Plan below: (KRS 61.702(4)(a)). See Question #3 above for additional information.

Please contact the KEHP for more information regarding the KEHP definition of a dependent child.

9. **Question:** What is the cost of insurance coverage if my dependent is eligible for coverage, but is not eligible for an insurance contribution because he or she does not meet the definition of dependent child as set forth in KRS 16.505(17)?

Answer: Please contact KRS for your account specific information, 1-800-928-4646 and Speak to a counselor.