



Northeast Delta Dental



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RETURN FORM TO YOUR EMPLOYER OR TO:
P.O. BOX 617, CONCORD, NEW HAMPSHIRE 03302-0617
800.527.5001 (TOLLFREE) • 603.226.2988 (FAX) • WWW.NHLGC.ORG

DEPENDENT CHILD CERTIFICATION FORM

Dear Subscriber:

New Hampshire Local Government Center HealthTrust will provide coverage for qualified dependent children between the ages of 19 and 26 who are not covered under any other health benefit plan or policy provided the dependent is unmarried and is a New Hampshire resident or is enrolled as a student at a public or private institution of higher education. **Certification is required on an annual basis for all covered dependent children between the ages of 19 and 26. Failure to certify your dependent child will result in cancellation of the child's medical and/or dental coverage due to ineligibility.**

Note: If you are enrolling a dependent child who is not currently enrolled on your membership, you must also complete and submit a *Medical and/or Dental Application and Change Form* along with this *Dependent Child Certification Form*.

Please complete the following information:

- 1. Subscriber Name: _____ 2. Employer Name: _____
- 3. Dependent Name: _____ 4. Date of Birth: _____
- 5. Is the Dependent married? Yes No 6. Is the Dependent a resident of New Hampshire? Yes No
- 7. Dependent's Address: _____
- 8. Will the Dependent be covered under any other medical or dental plan when this coverage commences?
Medical Yes No Dental Yes No
- 9. Is the Dependent enrolled in an institution of higher education? Yes No
If yes, is the Dependent a full-time student as defined by the school? Yes No
Please provide the name and address of the school: _____
_____ School year beginning: _____
(Month/Year)

10. **Tax Dependent Status** – I have read the “Tax Dependent Information” on the sheet attached to this form. I understand that falsely certifying to the tax-dependent status of this child may result in adverse tax consequences and potential charges of tax fraud. Please select one of the following:

- I certify that the above named child is a tax-qualified dependent under sections 105(b) and 152 of the Internal Revenue Code. I agree to notify my employer immediately of any changes in this child's tax status.
- I understand and agree that since the above named child is not a tax-qualified dependent, the value of this child's coverage will be subject to federal taxation.

I certify that the above information is true and correct. I understand that any misrepresentation affecting the above named child's eligibility will result in retroactive cancellation of the child's medical and/or dental coverage and any charges incurred will be my liability. I understand it is my responsibility to notify my employer immediately when this dependent child no longer meets eligibility requirements of the plan.

Subscriber's signature: _____ Date: _____



WHITE - LGC HEALTHTRUST YELLOW - EMPLOYER PINK - EMPLOYEE



TAX DEPENDENT INFORMATION

Overview

Under federal tax law, only certain dependents of an employee may qualify to receive employer-provided health coverage on a tax-free basis. If coverage is provided to a child other than a qualified tax dependent under Sections 152 and 105(b) of the Internal Revenue Code (IRC), federal income and payroll tax consequences will result. You will incur additional taxable income (“imputed income”). Income will be imputed to you based upon the fair market value of the coverage provided for the non-tax qualified dependent child. The imputed income, like your other wages, will be subject to income tax withholding and to payroll taxes (e.g., Social Security and Medicare). In addition, health care expenses of the child would not be reimbursable under a healthcare flexible spending account.

Qualified Tax Dependent Status

If, however, you can certify to your employer’s satisfaction that the dependent child being enrolled is a qualified tax dependent, the child’s coverage under your employer’s group medical and/or dental plan will be tax-free and not subject you to imputed income or after-tax treatment of your premium contributions. For a child to be a qualified tax dependent for medical/dental plan purposes, certain requirements in IRC Sections 152 and 105(b) (definition of “dependent”) must be satisfied. In general, the child must be your biological, adopted or stepchild and you must provide over one-half of the child’s support during the relevant calendar year. The child also may not be claimed as a qualifying dependent child by any other taxpayer for the relevant year. Special rules apply to disabled children and children of divorced parents. Based on these tax rules, if you are able to claim the child as a dependent on your federal income tax return for the year in which health plan coverage is being provided, the child will qualify for tax-free coverage. However, if you cannot claim the child as a dependent on your tax return and the child is self-supporting, the child’s health plan coverage will be subject to federal taxation under the imputed income and related rules described above.

Taxable Amount

As stated, the amount of imputed wage income to you for coverage provided to a non-tax qualified dependent will be based on the fair market value of the coverage. In general, the IRS defines fair market value of such benefit coverage as the amount that an individual would have to pay for the particular fringe benefit in an arm’s length transaction. The calculation of fair market value for purposes of your employer’s medical and dental plans generally will be based upon the rates charged for coverage under those plans and the number of non-tax qualified dependents covered. Please contact your employer regarding the specific amount of imputed income that will apply to coverage of any non-tax dependent child(ren).

This information is only a summary of the tax provisions governing a child’s qualified dependent tax status and is not intended nor should it be relied upon as legal or tax advice. **Due to the complexity of these tax rules and the potential impact of any imputed income you may incur, you should seek advice from a competent tax professional before certifying as to the tax status of the dependent child being enrolled.**