

Checklist for Tax-Free Employer Health Insurance Coverage

This checklist will help you determine if your children can receive medical or dental insurance coverage on a tax-free basis.

Important: Your plan's eligibility provisions will determine if these individuals are eligible for coverage at all; this checklist merely determines whether the value of the medical and/or dental coverage is taxable to you.

Caution: This checklist does **not** apply to your children if:

- You are divorced, legally separated or living apart from the other parent during the last six months of the calendar year, or
- They can be claimed as "qualifying child" dependents (Test 2 below) by two or more people.

If your children fall into either of these categories, talk to your tax advisor to determine whether their medical insurance coverage can be provided tax-free.

Test 1

- Check this box if you can claim an exemption on your federal income tax return for your dependent child(ren).

If you checked this box, the health benefits will not be taxed. If you cannot check this box or if you are unsure if you can claim an exemption, go to Test 2 below.

Test 2 (Qualifying Child)

Check any of the following boxes that apply:

- The child is either (1) your or your spouse's biological child, adopted child, or foster child; (2) a child placed with you and/or your spouse for adoption; or (3) your stepchild.
- The child lives with you for more than one-half the year.
- The child is either:
 - a) a US citizen, national or resident;
 - b) a resident of Canada or Mexico; or
 - c) a child being adopted by a US citizen or national who shares that individual's home as a member of the household.
- The child does not provide more than half of his/her own support for the year.
- The child is either:
 - a) age 18 or younger for the entire calendar year; or
 - b) age 23 or younger for the entire calendar year and qualifies as a full-time student for the calendar year (see definition in sidebar); or
 - c) permanently and totally disabled at any time during the calendar year (regardless of age).

*If you checked **all** the boxes, then you will not be taxed on the value of the coverage provided to such child. If you did not check all of the boxes, go to Test 3.*

Test 3 (Qualifying Relative)

Check any of the following boxes that apply:

- You provide more than one-half of this child's support for the calendar year.
- The child is either:
 - a) a US citizen, national or resident;
 - b) a resident of Canada or Mexico; or
 - c) a child being adopted by a US citizen or national who share that individual's home as a member of the household.
- The child is either:
 - a) your, your spouse's or domestic partner's (if applicable) biological child;
 - b) your stepchild;
 - c) adopted by, or placed for adoption with, you and/or your spouse or you and/or your domestic partner (if applicable); or
 - d) the foster child of you, your spouse or domestic partner (if applicable).
- The child cannot be claimed as an exemption on another person's, including your domestic partner's (if applicable), federal income tax return.
- The child has not attained age 25.

*If you checked **all** the boxes under Step 3, you will not be taxed on the value of coverage provided to such child. If not, you will be taxed on the value of the coverage, minus after-tax contributions you make for such coverage, provided to the child.*

Signature required on reverse side

By signing this form, I verify that all the information specified on this form is accurate and complete. Fraud or misrepresentation of material fact by me for the purposes of defrauding the insurance company or the IRS may result in action allowable by contract or federal law.

Signature

Date

Print name

Name of Child (first, last)

Child's Date of Birth

Employers who receive certifications from their employees as to the tax-dependency of the employees' children are entitled to rely upon these certifications for purposes of federal income and employment tax withholding.