

DEPENDENT UNDER 31 LAW

As a result of recent legislation in the state of New Jersey, Chapter 375 Law (Dependent to Age 30) has been amended to the Dependent Under 31 (DU31) Law.

Effective January 1, 2009, your group health plan may continue to provide medical coverage for their dependent children until their 31st birthday.

WHEN DOES A DEPENDENT CHILD'S COVERAGE END?

Carrier:	Aged Out	Grads who have not Aged Out
Aetna	End of the month of the qualifying birthday	End of the month of the Qualifying Event
AmeriHealth	End of the month of the qualifying birthday	End of the month of the Qualifying Event
CIGNA	On the dependent's qualifying birthday	Contract Specific
Guardian	Contract Specific	Contract Specific
Health Net	End of the month of the qualifying birthday	End of the day of the Qualifying Event
Horizon BCBSNJ	On the dependent's qualifying birthday	End of the day of the Qualifying Event
Oxford	End of the year of the qualifying birthday	End of the year of the Qualifying Event

WHO IS ELIGIBLE?

The DU31 Law Requires That:

1. the group coverage must meet certain requirements;
2. the young adult's parent must meet certain requirements; and
3. the young adult must meet certain requirements

The Group Coverage

Before the young adult can make a DU31 election, the coverage for the employer group in which the young adult wishes to enroll:

- must be through a group health benefits plan issued in New Jersey; and
- must allow for the enrollment of dependents

The Parent

If the parent's employer offers coverage subject to DU31, then the young adult's parent:

- must be covered under the employer's group health benefits plan subject to the DU31 law; and
- must provide coverage for all family members who meet the definition of a dependent under the group health benefits plan, or must have waived coverage for an eligible dependent because the dependent is covered under another group health plan or government-sponsored plan

The Young Adult

If both the employer's plan and the young adult's parent meet the DU31 requirements, the young adult may enroll if he or she:

- is younger than 31 years old, **but** older than the limiting age for dependent children stated in the group health benefits plan in which he or she wants to enroll;
- is a resident of New Jersey, **or**, if not residing in New Jersey, is a full-time student at an accredited public or private institution of higher education in any state;
- is not covered under another group health plan, church plan, individual health benefits plan and is not entitled to Medicare as of the date that coverage under the parent's group health benefits plan would begin (**note**: a young adult can have other coverage upon the date the DU31 election is made, but not upon the date the DU31 coverage becomes effective);
- does not have any children; **and**
- does not have a spouse, civil union partner or domestic partner

The DU31 Law **DOES NOT** Require That:

- the young adult be economically dependent on the parent
- the young adult live in the same house with the parent
- the young adult exhaust coverage continued through COBRA or NJSC
- the young adult be ineligible for other coverage
- the young adult has continuous prior creditable coverage
- the young adult has actually aged-out of any prior creditable coverage
- the young adult has ever actually been covered under a parent's prior creditable coverage
- the young adult demonstrate insurability
- the parent of the young adult be a New Jersey resident

The Right to Make a DU31 Election will **END** and Coverage Resulting from a DU31 Election will **TERMINATE** when:

- A young adult marries or enters into a civil union
- A young adult becomes a parent
- A young adult residing outside of New Jersey is no longer a full-time student
- A young adult becomes covered under an individual health benefits plan, a group health plan or a church plan
- The young adult has his or her 31st birthday
- A young adult's parent is no longer covered under the group health benefits plan (**note**: a young adult's coverage does not terminate if a parent continues coverage pursuant to a COBRA or NJSC election)
- A young adult's parent elects to discontinue coverage for all eligible dependents (**note**: a young adult's coverage does not terminate if a parent terminates dependent coverage because there are no longer any eligible dependents)
- The group health benefits plan no longer permits coverage of dependents
- The employer's group health benefits plan terminates and is not replaced by a group health benefits plan subject to the DU31 law
- Required premiums are not paid

A young adult may establish and re-establish eligibility and make a DU31 election multiple times before his or her 31st birthday.

TRANSITION FROM CHAPTER 375 (DEPENDENT UNDER 30) TO THE DEPENDENT UNDER 31 LAW:

A young adult covered as an over-age dependent in 2008 who was disenrolled because he or she turned 30 years old prior to January 5, 2009, may make a DU31 election at any time after January 5, 2009 (prior to his or her 31st birthday).

No young adult covered as an over-age dependent who turns 30 years old in 2009 should be required to disenroll prior to his or her 31st birthday, assuming all other conditions for enrollment continue to be met.

WHAT IS THE COST?

The premium charge for DU31 coverage will be calculated at a percentage of the single rate of the plan in which the parent is enrolled. This charge will apply to each young adult enrollee and will be billed directly to their address of record.

Percentages are subject to change without notice.

- Aetna – 82% of Single Rate (Effective 10/01/2010)
- AmeriHealth – 67.4% of Single Rate
- CIGNA – 70% of Single Rate + 2% Admin Fee
- Health Net (2-50) – 71.4% of Single Rate
- Health Net (51+) – 75% of Single Rate
- Guardian (51+) – 70% of Single Rate
- Horizon – 60.8% of Single Rate
- Oxford (2-50) – 76.5% of Single Rate
- Oxford (51+) – 73.4% of Single Rate

IMPORTANT NOTES:

- Upon termination of DU31 coverage, the young adult will not be eligible for COBRA or NJSC
- The enrollment process takes 4-6 weeks for completion. Early notification is recommended to ensure a smooth transition.

Upon review, please do not hesitate to contact our office with any questions. We would be happy to provide you with all the necessary forms for a young adult to make their DU31 election.

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