



TIPS

from the Consumer Health Action Network

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New law Jan 1st allows children to stay on their parents' insurance to age 26: But there's a catch

As of January 1, 2009 all health insurance plans regulated by the state of Connecticut will be required to provide coverage for unmarried children until the age of 26. As long as the child is under the age of 26, a resident of Connecticut (though he or she does not have to be living with a parent), is not married, and does not have his or her own health insurance, they may stay parent's health insurance. The child does not have to be a student. The law does not apply to all plans, so contact your employer to find out if this new law is an option for your family.

Sounds great. So what's the catch? You may have to pay more in taxes. It is important to know that when an employer provides coverage to any child under 26 who is not a dependent on your taxes, **the value of the health insurance benefit for that child may be counted as part of your taxable income.** If you claim your child on your tax return, the extra taxes may not apply to you. Depending on your tax status, it may cost less to buy separate health insurance for your child, so be sure to check out all your options. If you have any questions about the tax impact of adding an older child to your plan, contact your employer or personal tax advisor.

You can also contact us toll-free anytime at 1-888-873-4585 with any questions.

Consumer Health Action Network www.cthealthpolicy.org/action toll free 1-888-873-4585

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