
A PUBLICATION OF THE NEW JERSEY DIVISION OF PENSIONS AND BENEFITS

HEALTH BENEFIT COVERAGE OF CHILDREN UNTIL AGE 31 UNDER CHAPTER 375, P.L. 2005

State Health Benefits Program • School Employees' Health Benefits Program

DEPENDENT CHILDREN

Under the State Health Benefits Program (SHBP) or the School Employees' Health Benefits Program (SEHBP) an eligible "dependent child" is defined as an unmarried child under age 23 who lives in a regular parent-child relationship, or who is away at school, or a child of a divorce living at home provided that he or she is dependent upon the covered parent for support and maintenance or if the covered parent is legally required to support the child. Health benefit coverage for dependent children usually ends as of December 31 of the year in which the child turns age 23.

CHAPTER 375 CHILDREN

Under the provisions of Chapter 375, P.L. 2005, as amended by Chapter 38, P.L. 2008, certain over age children may be eligible for coverage until age 31.

This includes a child by blood or law who:

- is under the age of 31;
- unmarried;
- has no dependent(s) of his or her own;
- is a resident of New Jersey or is a full-time student at an accredited public or private institution of higher education; and
- is not provided coverage as a subscriber, insured, enrollee, or covered person under a group or individual health benefits plan, church plan, or entitled to benefits under Medicare.

ENROLLING FOR CHAPTER 375 COVERAGE

A covered employee (from a SHBP or SEHBP participating employer) or retiree may enroll an over age child who is Chapter 375 eligible until the child's 30th birthday at the following times:

- within 30 days prior to December 31 of the year the dependent reaches age 23 with coverage effective the following January 1;
- if, within 30 days of coverage loss, the covered employee provides proof of loss of other group coverage (HIPAA) for the Chapter 375 eligible

over age child with coverage effective the date that the prior coverage was terminated; or

- during the month of October of each year if the over age child meets the eligibility requirements of Chapter 375 as outlined above with coverage effective the following January 1.

REQUIRED DOCUMENTATION

A completed Chapter 375 Application for Coverage, a photocopy of the over age child's birth certificate, **and** a photocopy of the top half of the front page of the covered parent's most recently filed federal tax return (*Form 1040*) that includes the child **or** if the over age child is not listed on the covered parent's tax return, a copy of the top half of the child's most recently filed tax return (you may black out all financial information and all but the last four digits of any Social Security numbers).

If applicable, documentation of the proof of loss of other coverage (HIPAA) is also required when enrolling for this extended coverage. If the over age child is adopted, a step child (who was dependent on the employee/retiree for support and maintenance), or a legal ward, supporting documentation is required, if not already on file. See the Division of Pensions and Benefits Web site at: www.state.nj.us/treasury/pensions/shbp.htm for a description of required documentation. In addition, transcripts are required for full-time students attending schools outside of the State of New Jersey.

NOTE: The application and required documentation must be submitted to the Division of Pensions and Benefits on or before the child's 30th birthday.

PLAN SELECTION

Under Chapter 375, an over age child does not have any choice in the selection of benefits but is enrolled for coverage in exactly the same plan or plans (medical and/or prescription drug) that the covered parent has selected. There is no provision for eligibility for dental or vision benefits (see "A Note About COBRA Coverage" on page 2).

COVERAGE COSTS

When Chapter 375 coverage is elected the covered parent will be billed directly for the cost; therefore the covered parent is held responsible for the payment of the Chapter 375 coverage.

Chapter 375 Rate Charts showing the premium amounts for all health benefit plans are available from your employer, by contacting the Division of Pensions and Benefits, or over the Internet at:

www.state.nj.us/treasury/pensions/shbp.htm

Enrollment of over age children for coverage under Chapter 375 is voluntary. The provisions of Chapter 375 do not require an employer to pay all or any part of the cost of coverage for any election of this coverage.

WHEN COVERAGE ENDS

Coverage for an enrolled over age child will end when the child no longer meets any one of the eligibility requirements listed above, or when the covered parent's coverage ends (for example: termination of employment, divorce, or death of the covered parent). Coverage may also be terminated in the event of non-payment of the required premiums.

Chapter 375 coverage ends on the first of the month following the event that makes the child ineligible or up until the paid through date in the case of non-payment.

There is no provision for the continuation of group coverage under COBRA for a child due to the loss of Chapter 375 coverage. Nor is there any provision for conversion to non-group coverage.

A NOTE ABOUT COBRA COVERAGE

The year in which your dependent child turns age 23, you will receive a COBRA notification letter prior

to the termination of the dependent's coverage, which is required by federal law. The notice outlines the right to purchase continued health coverage, gives the date coverage will end, and the period of time over which coverage may be extended (usually 36 months). Rates for Chapter 375 coverage and COBRA coverage can change annually, be sure to compare the rates prior to enrolling in either program. To see a cost comparison, go to the Division of Pensions and Benefits Web site at:

www.state.nj.us/treasury/pensions/cobrav375.htm

Chapter 375 does not cover vision and dental benefits. If your child wishes to obtain those coverages he or she must apply for them under COBRA.

ADDITIONAL INFORMATION

For a *Chapter 375 Rate Chart*, a *Chapter 375 Application for Coverage*, or if you have additional questions about Chapter 375 eligibility or coverage, see your employer's Benefits Administrator, or the Chapter 375 information at the Division of Pensions and Benefits Web site at:

www.state.nj.us/treasury/pensions/shbp.htm

If you need information concerning COBRA coverage, see Fact Sheet #30, *Continuation of Insurance Under COBRA*, available from your employer or the Web site listed above.

You may also contact the Division of Pensions and Benefits' Office of Client Services at (609) 292-7524, or e-mail the Division at:

pensions.nj@treas.state.nj.us

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This fact sheet is a summary and not intended to provide total information.

Although every attempt at accuracy is made, it cannot be guaranteed.