Eligible Dependent Defined

Who is considered a spouse? Who is considered a dependent?

Under the Plan, only the expenses of a Participant, a Participant's Spouse or a Participant's Dependent qualify for pre-tax treatment.

SPOUSES

A person will be considered the Spouse of a Participant if the Spouse and Participant are married for purposes of federal tax law. Under federal tax law, a couple will be treated as married if they were married in a state where their marriage was legal under the law of that state at the time it occurred, irrespective of whether they continue to reside in that state.

RELATIVES AS DEPENDENTS

A Participant's relative will be considered to be his or her Dependent if the Participant provided over half of the relative's financial support for the calendar year. If the relative is a child, grandchild, brother, sister, niece or nephew of the Participant who is under age 19 (age 24 in the case of a full-time student), it is not necessary for the Participant to have provided over half of the relative's support if the relative lived with the Participant for more than half of the calendar year and the relative did not provide more than one-half of his or her own support.

A special rule applies to health insurance coverage and health care reimbursements for the children of divorced parents. The child of divorced or legally separated parents is considered to be a Dependent of both parents if both parents together provide more than 50% of the child's support and have custody of the child for more than half the year.

Also, for purposes of health plan benefits, "Dependent" also includes any child of a Participant whose 27th birthday will not have occurred by the last day of the current calendar year, irrespective of whether the child satisfies any of the financial support or residency requirements.

NON-RELATIVES AS DEPENDENTS

To qualify as a Dependent, a person who is not related to a Participant must:

1. receive over 50% of his or her financial support from the Participant for the calendar year;
2. have the same principal residence as the Participant for the entire calendar year;
3. and, be a member of the Participant's household (which is not possible if their living together violates the law of the state where they live).