



Young Adults and the Affordable Care Act: Protecting Young Adults and Eliminating Burdens on Families and Businesses

The Affordable Care Act allows young adults to stay on their parents' healthcare plan until age 26.

Coverage Extended to More Children. The goal of this new policy is to cover as many young adults under the age of 26 as possible with the least burden. Plans and issuers that offer dependent coverage must offer coverage to enrollees' adult children until age 26, even if the young adult no longer lives with his or her parents, is not a dependent on a parent's tax return, or is no longer a student.

- ***Certain existing group plans do not have to provide dependent coverage until 2014 if an adult child qualifies for coverage through his/her own employer.***
- The new policy providing access for young adults applies to both married and unmarried children, although their own spouses and children do not qualify.
- MUST is allowing this implementation earlier than the mandate requires – Effective July 1, 2010 for July renewals and September 1, 2010 for September renewals.
- Because we are implementing this change earlier than the mandate requires, and during Open Enrollment, dependents may be subject to an 18-month pre-existing-condition exclusion period if they cannot produce proof of prior creditable coverage.
- Dependents turning 26 are dropped from the plan at the end of the month in which they turn 26 and offered 36 months of continuing COBRA coverage to be effective on the first day of the following month.
- To enroll your child, contact your district clerk or download a MUST Change Form from our Web site at www.mustbenefits.org.
- The act provides that the value of the employer-provided health coverage is excluded from the employee's income for the entire taxable year in which the child turns 26. Thus, if a child turns 26 in March but stays on the plan through December 31st (the end of most people's taxable year), all health benefits provided that year are excluded for income tax purposes.
- These tax benefits are effective March 30, 2010. The exclusion applies to any coverage that is provided to an adult child from that date through the end of the taxable year in which the child turns 26.