



Allen SINCE 1960 Associates **Advisor**

EMPLOYEE BENEFIT PLANS

FINANCIAL SERVICES

Now available – continuing group health coverage for dependents up to age 30

On May 12, 2006, the New Jersey Department of Banking and Insurance began continuation coverage for dependents up to the age of 30 under a parent's group health coverage through Chapter 375. Until now, most group insurance policies required dependents over the age of 19 to be full-time students, with dependents over the age of 22 being denied coverage.

With this new policy in effect, eligible dependents under 30 who have previously lost coverage due to aging-out of traditional dependent coverage, and those who are about to age-out, will have the option to elect this continuation coverage in place of COBRA/NJSGCR.



When can dependents enroll?

During the phase-in period between May 12, 2006, and May 11, 2007, the following special enrollment requirements exist:

- If an eligible dependent has lost coverage under a New Jersey Group Health Plan due to aging-out prior to May 12, 2006, he or she may elect Chapter 375 coverage at any time before May 11, 2007.
- If aging-out between May 12, 2006, and May 11, 2007, the dependent must wait until the annual renewal date of the group policy in order to elect continuation coverage.

After the phase-in period, once all policies have renewed, enrollment may be initiated:

- Up to 30 days prior to the date of age-out, but not after
- Within 30 days after becoming eligible for reasons other than age (for example, a dependent returns from another state to live in New Jersey, or if coverage through another carrier is terminated)
- At any time during the group's open enrollment period

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Who is eligible?

An eligible dependent must:

- *Have already aged-out or be about to age-out of a parent's traditional group health benefits plan issued in New Jersey or under the State Health Benefits Plan. Loss of traditional coverage for any reason other than age will render the dependent ineligible.*
- *Be younger than 30, unmarried, and have no children. Coverage will automatically terminate at the earliest of the 30th birthday, marriage, or discharge from hospital after birth of child.*
- *Be a resident of New Jersey OR a full-time student at an accredited institute of higher education (regardless of its location). Full-time students are not required to live in New Jersey, but those who are not students must live in New Jersey.*
- *Not be covered under any other individual health benefits plan or group health plan. Dependents may have been previously covered, but may not be covered by another plan when electing Chapter 375. Any other coverage must be terminated before Chapter 375 continuation can take effect.*
- *Not be entitled to Medicare benefits. To be entitled to Medicare benefits, you must not only be eligible, but have applied for benefits.*

Dependent's parent must be covered under a group health benefits plan issued in New Jersey or under the SHBP. This is not contingent on the state in which the parent works or lives, only where the policy is issued.

The parent's group benefits plan must cover dependents.

What will this cost?

Most employees are required to pay for dependent coverage, so chances are very good that the insured or the dependent must take on the cost. The exact amount will vary greatly depending on the type of coverage provided, but the maximum amount allowable is 102% of the dependent child rate for the group policy, which includes a 2% administration fee.

Allen Associates

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MetLife® expands to serve education, healthcare and not-for-profit employees

MetLife has recently announced two acquisitions that uniquely position the company to provide superior products and services to employees in the education, healthcare and not-for-profit sectors.

By acquiring Citigroup's Travelers Life & Annuity and Citigroup's international insurance business, MetLife is now one of the world's leading insurance and investment companies with one of the broadest distribution networks in the industry and a menu of products to fit everyone's needs.

MetLife established MetLife Resources, formerly CitiStreet Associates, a company that specializes in the distribution and administration of annuity products and

retirement plans to education, healthcare and not-for-profit groups. MetLife Resources, a division of MetLife, will be dedicated to providing retirement plans and financial services for these specialized groups.

Allen Associates can provide you with access to all the great products now available from MetLife and MetLife Resources — including personal and commercial coverage and retirement and savings plans — with an even higher level of service.

For more information on how you can benefit from these new MetLife programs, contact the Allen Associates Financial Services team: **John Bartuccio, Certified Financial Planner®**, and **Michael Capriotti, Financial Consultant**, at **856-692-2250**.



John Bartuccio and Michael Capriotti



Is Chapter 375 a better option than other types of coverage?

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Typically, COBRA/NJSGCR coverage costs 102% of the single person rate for the group policy, while Chapter 375 is 102% of the dependent child rate. In most instances, the dependent child rate is lower than the single person rate. Plus COBRA/NJSGCR only covers up to 36 months while Chapter 375 remains in effect until the age of 30 for dependents that remain eligible.

However, if you are eligible for more than one type of coverage including individual health coverage and another group policy, it would be wise to compare all of them together to see which will be most beneficial. Review the benefits available with each, as well as the costs and conditions for coverage, before making a decision.

Visit <http://www.state.nj.us/dobi/dependentsunder30.htm> for more information.



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Look for
Allen Associates
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- ▲ **New Jersey School Boards Association**
October 25-27 — Booth #504
- ▲ **New Jersey Education Association**
November 9-10 — Booth #2126
- ▲ **New Jersey State League of Municipalities**
November 13-16 — Booth #541

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