
OPINION OF TRUSTEES

In Re

Complainant: Employee
Respondent: Employer
ROD Case No: 11-0127 - November 18, 2015

Trustees: Michael H. Holland, Marty D. Hudson, Michael O. McKown and Joseph R. Reschini

The Trustees have reviewed the facts and circumstances of this dispute concerning the provision of benefits under the terms of the Employer Benefit Plan.

Background Facts

The Complainant is an active employee of the Respondent. The Complainant's new spouse receives health benefits from the Respondent as an eligible dependent effective October 5, 2013, the date of their marriage. The Respondent has denied health benefits to the Complainant's minor step-daughter claiming she does not meet the eligibility requirements of a dependent. Respondent cites a provision in the spouse's divorce decree that directs her to provide health benefits coverage to her daughter as part of the divorce settlement. At this time Complainant's spouse has health insurance through her own employer.

The Complainant claimed his step-daughter as his dependent child on his 2013 and 2014 federal tax returns. In responding to the ROD, the Respondent stated that the signature pages of the requested income tax returns had not been provided. Funds' staff forwarded the signature page but Respondent maintains its position that it is not responsible for providing health benefits to the child.

Dispute

Is the Respondent required to provide benefits for the Complainant's minor step-daughter?

Positions of the Parties

Position of the Complainant: The Complainant's step-daughter is an eligible dependent and should receive coverage for health benefits from the Respondent.

Position of the Respondent: The Complainant's step-daughter does not meet the criteria for eligibility for health benefits coverage.

Pertinent Provisions

Article IID. of the Employer Benefit Plan states:

ARTICLE II ELIGIBILITY

D. Eligible Dependents

Health benefits under Article III shall be provided to the following members of the family of any Employee, Pensioner, or disabled Employee receiving health benefits pursuant to sections A, B, or C of this Article II:

- (1) A spouse who is living with or being supported by an eligible Employee or Pensioner;
- (2) Children of an eligible Employee or Pensioner who have not attained age 26 unless (from July 1, 2011 through Calendar Year 2103) such child is eligible for other employer-provided coverage (except from the child's parents);

Question and Answer (Q&A) H-3 (81) states:

Subject: Health Benefits; Dependent Children
Reference: (50B) II C; (74B) II C

Question:

Assuming all elements of dependency are met, may the following relatives qualify for health benefits as dependents of participants?

- (1) Stepchildren, illegitimate children and adopted children
- (2) Grandchildren
- (3) Nieces, nephews, foster children, brother and sisters

Answer:

- (1) Stepchildren, illegitimate children and adopted children are covered for health benefits.

Coverage for adopted children begins the date they begin living in the participant's household, provided the adoption process has begun.

Article III A. (10)(f)2. of the Employer Benefit Plan states:

ARTICLE III BENEFITS

A. Health Benefits

(10) General Provisions

(f) Non-Duplication

2. In determining whether this Plan or another group plan is primary, the following criteria will be applied:

(i) The Plan covering the patient other than as a spouse or dependent will be the primary plan.

(ii) Where both plans cover the patient as a dependent, the plan of the parent or step-parent whose birthday occurs earlier in the calendar year will be the primary plan.

Discussion

Article II D. of the Employer Benefit Plan provides health benefits coverage for the step-children of eligible Employees if they are living with and are dependents of the eligible Employee. The Complainant has claimed his step-daughter as his dependent on federal income tax forms for 2013 and 2014 and provided the forms to his Employer.

The Respondent's claim that the divorce decree directs the child's mother to provide health benefits has no effect on the eligibility requirements contained in the Employer Benefit Plan as they apply to the Complainant's step-daughter. The fact that the Complainant's wife also maintains health coverage for the child does not affect the child's eligibility under the Plan.

Article III.A.(a)(10)(f)2. determines that the Complainant's health coverage is the primary health benefits coverage for his step-daughter because his birthday precedes that of his spouse in the calendar year.

Opinion of the Trustees

Pursuant to the provisions of the Employer Benefit Plan, the Complainant's step-daughter is an eligible dependent and the Respondent is required to provide health benefits coverage for her effective October 5, 2013.