

<b>HUMAN RESOURCES MEMORANDUM 16-001</b>		DATE ISSUED: January 4, 2016
SUBJECT: <b>ELIGIBILITY CRITERIA FOR DEPENDENTS IN A PARENT-CHILD RELATIONSHIP</b>		REFERENCE: CL 600-008-15
TO: ALL DGS EMPLOYEES		SUPERCEDES: <i>HR Memo 11-012</i>

**PLEASE ENSURE THAT THIS INFORMATION IS SHARED WITH YOUR EMPLOYEES**

**Purpose** This HR Memo informs you of the approved regulatory changes clarifying health enrollment eligibility standards for Parent-Child Relationships (PCR) and changes to the [Affidavit of Parent-Child Relationship \(HBD-40\)](#) (Affidavit). The new Affidavit has a revision date of June 2015 on the bottom of the form.

**Effective** Beginning January 1, 2016, all PCR subscribers are required to use the revised Affidavit for all new PCR enrollments and annual re-certifications with specific documents that substantiate their parental role within that PCR as noted below.

**Background** In August 2015, the CalPERS Board of Administration voted to adopt the regulatory amendments, establishing clear and concise PCR documentation criteria for CalPERS Health Program eligibility, and approved the revised Affidavit for future PCR enrollments.

Before regulatory changes were made, the PCR regulations did not stipulate clear and concise enrollment eligibility criteria, and were not clear as to what type of documentation was necessary to confirm the existence of the subscriber's assumed parental duties. Therefore, regulatory changes were made to address these issues.

**Supporting Documentation for PCR Dependent Under Age 19**

Required supporting documentation for a PCR dependent under age 19 includes:

- A copy of the first page of the subscriber's income tax return from the previous tax year listing the child as a tax dependent.
- **In lieu of a tax return, for a time not to exceed one tax filing year,** subscribers may submit other documents that substantiate the child's financial dependency upon them, including the following (collectively referred to as "Other Suitable PCR Documentation"):
  - Current legal judgments or court documents showing the subscriber's legal parental status or duties/guardianship over the child
  - Bank, credit card, tuition or insurance statements or payments
  - School records
  - Bills or mail indicating common residency with the child

Note: When submitting copies of tax documents, household bills or account statements, subscribers should blackout sensitive information, such as bank, credit card, and other financial account numbers, driver's license number, and passport number. Also mark each document "Not for Official Use."

**Supporting Documentation for PCR Dependent From Age 19 Up to Age 26**

Required supporting documentation for a PCR dependent from age 19 up to age 26 includes:

- A copy of the first page of the subscriber's income tax return from the previous tax year listing the child as a tax dependent, **OR**
- Other Suitable PCR Documentation, that substantiates that the child is financially dependent upon the subscriber provided that the child:
  - Either lives with the subscriber for more than 50 percent of the time, or is a full-time student, **AND**
  - Is dependent upon the subscriber for more than 50 percent of the child's support.

The following table provides examples of required supporting documentation used to establish residency and financial dependence:

Requirement Type	Supporting Documentation Age (19-26)
Residency (more than 50% of the time)	<ul style="list-style-type: none"> <li>• School records indicating full-time status, or</li> <li>• Bills or mail in the child's name listing the same address as the subscriber, such as:               <ul style="list-style-type: none"> <li>○ School correspondence</li> <li>○ Employment correspondence</li> <li>○ Bank Statements or correspondence</li> <li>○ Vehicle registration, insurance bills/statements</li> <li>○ Credit card bills/statements</li> <li>○ Rental/lease agreements</li> </ul> </li> </ul>
Financial Dependence (more than 50% of child's support)	<ul style="list-style-type: none"> <li>• Recurring bills or statements of account, identified as Other Suitable PCR Documentation, paid by the subscriber on behalf of the child, such as:               <ul style="list-style-type: none"> <li>○ Tuition payments</li> <li>○ Cell phone bill payments</li> <li>○ Auto loan payments</li> <li>○ Auto insurance payments</li> <li>○ Credit card payments</li> <li>○ Bank statement, custodian account, cancelled checks, or other evidence of financial dependence.</li> </ul> </li> </ul>

Note: When submitting copies of tax documents, household bills or account statements, subscribers should blackout sensitive information, such as driver's license numbers, and bank, credit card, and other financial or policy account numbers. Also, mark each document "Not for Official Use."

**Transition  
Period for  
PCR  
Dependent  
Under Age 19**

For a PCR dependent under age 19, subscribers are allowed a **one-time** transition period “**not to exceed one tax filing year.**” During the transition period, in lieu of a tax return, subscribers may submit other documents that substantiate the child’s financial dependence upon them.

**The transition period applies to all currently enrolled PCRs and begins January 1, 2016, and ends April 30, 2017.**

**Starting on May 1, 2017**, all subscribers recertifying a PCR dependent under age 19 must submit a copy of the first page of their income tax return from the previous tax year listing the child as a tax dependent. **No exceptions will be allowed.**

Subscribers who are newly enrolling a PCR after January 1, 2016, will also be allowed a one-time transition period for dependents under age 19. These subscribers will be required to submit a copy of the first page of their income tax return for all subsequent annual re-certifications for their PCR.

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**PCR  
Subscriber  
Communication**

A [PCR Subscriber Letter](#) is being sent to all subscribers with PCR dependents on December 1, 2015. The letter informs subscribers of the new regulations and includes a copy of the revised Affidavit.

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**Questions**

CalPERS has drafted a [Frequently Asked Questions \(FAQs\)](#) for Employers with more detailed information regarding PCR regulations and enrollment scenarios.

If you have any questions, please contact your [Personnel Specialist](#).

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**ANGIE BOLDRINI**, Personnel Officer  
Office of Human Resources

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**Attachments**

- a. [Affidavit of Parent-Child Relationship \(HBD-40\)](#)
- b. [Copy; PCR Subscriber Letter](#)
- c. [PCR FAQs](#)