



**MICHIGAN
CATHOLIC**
C O N F E R E N C E

TO: Benefit Eligible Employees
FROM: Michigan Catholic Conference Benefits Department
DATE: March 2, 2016
RE: Special Open Enrollment Period for Legally Domiciled Adult Health Coverage

Michigan Catholic Conference is announcing a special open enrollment period for employees who may wish to add one Legally Domiciled Adult to their health (medical and dental) benefit. This special open enrollment period will run from March 9th-18th, 2016 for benefit coverage effective April 1, 2016. The intent of this communication is to explain a Legally Domiciled Adult (LDA), how that person may be eligible for health benefits, and how the inclusion of an LDA may modify your tax liability.

What is a Legally Domiciled Adult?

Legally Domiciled Adult is a common term in the benefits industry that refers to a person at least 18 years of age who shares basic living expenses and is financially interdependent with an employee, has resided in the same residence for at least six months with the employee, and can provide documentation that verifies their LDA status, among other requirements. Additional information regarding MCC's LDA requirements may found at www.micatholic.org/health and downloading the *Legally Domiciled Adult Certification Form*.

Why is MCC offering this benefit?

Due to recent changes in federal law regarding the provision of health benefits, Michigan Catholic Conference has adopted a modification to MCC benefits to ensure compliance with applicable laws and regulations. The inclusion of the LDA benefit allows for the MCC health plan to be both legally compliant and consistent with Church teaching.

How does the addition of a Legally Domiciled Adult affect tax liability?

Employees wishing to add one Legally Domiciled Adult to their health benefit must pay taxes on the value of those benefits if the LDA is not considered a dependent for IRS tax purposes.

Will this modification of the MCC health plan affect my current benefits or my dependents?

The availability of the LDA benefit does not impact any current benefit coverage for employees or their dependents. Existing coverage for employees will remain unchanged unless and until an employee elects to make a change through the regular open enrollment period that occurs each year in the Fall.

Employees who wish to add one Legally Domiciled Adult to their health plan must do so by calling the MCC Benefits Department during the special open enrollment period, March 9th-18th, 2016 for coverage effective April 1st. Both the employee and the Legally Domiciled Adult must complete and sign the *Legally Domiciled Adult Certification Form* that can be found at www.micatholic.org/health.

For additional questions regarding Legally Domiciled Adult health coverage or the special open enrollment period, contact the MCC at 800-395-5565.

Thank you.