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## Circular Letter

December 9, 2015

TO: **ALL CALPERS HEALTH BENEFITS OFFICERS AND ASSISTANT HEALTH BENEFITS OFFICERS**

SUBJECT: **ELIGIBILITY CRITERIA FOR DEPENDENTS IN A PARENT-CHILD RELATIONSHIP**

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### Introduction

In this Circular Letter, we are informing you of the approved regulatory changes that clarify health enrollment eligibility standards for a Parent-Child Relationship (PCR) and changes to the ***Affidavit of Parent-Child Relationship*** (Affidavit) beginning January 1, 2016.

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.

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### Background

Article II of the Public Employees' Medical and Hospital Care Act (PEMHCA) provides definitions relative to public employees' health benefits and health plan eligibility, including the definition of a family member. Section 599.500 of the California Code of Regulations supplements and clarifies these definitions, one of which adds to the PEMHCA definition of a family member to include subscribers involved in a PCR.

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.

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## Eligibility Criteria for Dependents in a Parent-Child Relationship, Continued

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### Approved Regulatory Changes

Section 599.500(o) defines a PCR as “intentional assumption of parental status, or assumption of parental duties by the employee or annuitant, as certified by the employee or annuitant at the time of enrollment of the child, and annually thereafter up to the age of 26...”

The PCR Regulatory Language (**Attachment 1**) now clearly states that in addition to the Affidavit for initial enrollment and annual recertification, subscribers are required to submit specific documents that substantiate their parental role within that PCR.

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### Revised Affidavit of Parent-Child Relationship

All employers and PCR subscribers are required to use the revised Affidavit (**Attachment 2**) for all new PCR enrollments and annual re-certifications, beginning January 1, 2016. The revised Affidavit is available to download from the CalPERS website.

To locate the revised Affidavit, visit [www.calpers.ca.gov](http://www.calpers.ca.gov) and select **Forms & Publications, then select View All, and filter by Forms**. Look for “**Affidavit of Parent-Child Relationship**”. The new Affidavit has a revision date of June 2015 on the bottom of the form.

**Reminder:** You must keep all completed Affidavits, with signatures, and required PCR supporting documents on file.

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### 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.”

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## Eligibility Criteria for Dependents in a Parent-Child Relationship, Continued

- 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 <b>listing the same address</b> 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.”

## Eligibility Criteria for Dependents in a Parent-Child Relationship, Continued

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### 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 (**Attachment 3**) 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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### Frequently Asked Questions (FAQs)

We have drafted Frequently Asked Questions (FAQs) for Employers (**Attachment 4**) for more detailed information regarding PCR regulations and enrollment scenarios.

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### Questions

If you have any questions about the information provided in this circular letter, please contact the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

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CARENE CAROLAN, Chief  
Member Account Management Division

### Attachments:

- 1 - PCR Regulatory Language
- 2 - Affidavit of Parent-Child Relationship
- 3 - PCR Subscriber Letter
- 4 - Employer FAQs