

## My Kid Graduated. What Do I Tell My Group Insurer?

Congratulations to the class of 2023! In recent months you may have been one of the parents beaming with pride from your seat in the crowd as you watched your child take the stage to receive their diploma. Graduation is indeed an important milestone in your child's journey to adulthood. What do these milestones mean to your benefits coverage and the administration requirements of your plan?

While some variance exists, plan to plan, the most common age of majority is considered to be between 18-22 years of age. When dependents attain the age of majority within your plan, benefits coverage through your group plan could be terminated if the dependent is not re-classified as what insurance companies call an "overage dependent."

In order to extend coverage, this means insurers are looking to determine the following:

- The dependent is still financially dependent upon you for support.
- The dependent is not married or in a common law relationship.
- The dependent is enrolling in full time studies at either a university, college or other recognized educational institution.

If the criteria set out by your insurer are met, coverage can typically be extended to age 24-26. The extension is not indefinite and will be spelled out in more detail within your policy booklet. (Note: Quebec has its own legislated guidelines.)

There are other important considerations for disabled dependents, so we encourage you to talk to your benefits advisor if the dependent has a disability recognized by the Canada Revenue Agency.

While Plan Administrators are responsible for maintaining employee records, it is helpful to have these conversations proactively and ensure that employees are reporting these milestones. We recommend regular review, at least on an annual basis. Summer is a great time to determine what steps will need to be taken and report necessary changes related to these significant life events.

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