

Attestation of Spouse and Dependent Status

_____ ("Employee") hereby attests that all family members enrolled in the medical, dental, vision, dependent life and accidental death and dismemberment (AD&D) plans (the "Plans") offered by WellSpan Health ("Employer") are Spouses or Dependents as defined below and indicates their tax treatment.

Benefit Eligibility

"Spouse" means a person who has met all requirements of a valid marriage contract as recognized by the State of Pennsylvania.

Attached are copies of:

- Marriage certificate for the spouse
- First page of most recent federal tax return listing spouse (with financial information blacked out)

"Dependent" means a person who is: a natural child, a stepchild, child legally placed for adoption, a legally adopted child, disabled dependent, a child awarded coverage pursuant to an order of court to age of 26, a child for whom the employee or the employee's spouse is the child's legal guardian to age 18).

Attached are copies of:

- Natural or legally adopted child: State issued birth certificate showing employee's name or signed court order
- Stepchild: State issued birth certificate showing parents' names, copy of Marriage Certificate, and copy of most recent federal tax return (front page only with financial information blacked out).
 - Disabled Dependent: physically or mentally disabled before age 26, incapable of self-sustaining employment and must be claimed as a "dependent" for federal tax purposes by the employee, or spouse. Must also supply appropriate documents identified above.
- Child whom you have legal guardianship: Signed Court Order and most recent tax return claiming child as dependent.
- Child who is the subject of a Qualified Medical Child Support Order: Signed Court Order

Tax Treatment

I have read and understand the notice entitled "Summary of Tax Treatment of Health Coverage Provided for Spouses and Dependents."

All family members enrolled in the medical plan [place an "X" next to the one line that applies to you]:

qualify as my federal tax dependents for health coverage purposes in the current tax year.*

or

do not qualify as my federal tax dependents for health coverage purposes in the current tax year.

I agree to notify the Employer within thirty (31) days if there are changes in any of the above person's status as a spouse or dependent or as a tax dependent. You can notify the Employer within sixty (60) days as to ceasing to be an eligible dependent child for COBRA purposes.

I understand that on the basis of the above statements, the Employer will decide whether to treat the above person as my tax dependent for all federal income and employment tax purposes.

I agree that providing false information or concealing important facts constitutes fraud and/or an intentional misrepresentation of material fact. It can be considered a violation of the law and may be punishable by a fine, imprisonment, or both. I understand that it can result in the Employer's recovery of any benefits improperly paid. I understand that I could be subject to disciplinary action up to and including termination of employment.

Employee Signature

Date

Lawson EE Number or
Last 4 digits of SSN

This document is intended to convey general information and may not take into account all the circumstances relevant to a particular person's situation. Legal and tax advice is recommended.

Summary of Tax Treatment of Health Coverage Provided for Spouses and Dependents

In order for health insurance premiums and benefits to be nontaxable, a beneficiary must qualify as a spouse or dependent for federal income tax purposes. Otherwise, premiums will be paid by you on an after-tax basis and the value of any employer contributions will be imputed to you as taxable income.

Spouse

Opposite-sex and same-sex spouses will receive federal tax advantages associated with employee benefit plans.

Where a couple is merely "living together", there is no marriage as there is no legal union. On the other hand, where the employee's state of residence recognizes common law marriages and the couple meets the relevant criteria, there is a valid marriage. In Texas, there is a common law marriage when a man and woman agree to be married, hold themselves out as husband and wife, and live together in Texas.

Dependent

For accident and health plan purposes, a tax dependent is (a) a citizen of the U.S.; a national of the U.S.; or a resident of the U.S., Canada, or Mexico (b) who is a "qualifying child" or "qualifying relative."

*In addition, the same tax treatment is available for a calendar year with respect to a child of the employee who does not turn age 27 by December 31 of the calendar year, except with respect to HSA distributions. For this purpose, the term "child" includes children, stepchildren, legally adopted children, children placed with the employee for adoption, and eligible foster children (individuals placed with the employee by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction).

"Qualifying child" means:

- a child (including a stepchild, adopted child, or foster child), a brother or sister (including a half-brother or half-sister), or a stepbrother or stepsister of the taxpayer or a descendant of any of the preceding (e.g., a grandchild);
- who has the same principal abode as the taxpayer for more than one-half of the taxable year;
- who has not attained age 19 as of the close of the calendar year or is a student who has not attained age 24 as of the close of such calendar year or is disabled;
- who has not provided over one-half of such individual's own support for the calendar year in which the taxpayer's taxable year begins;
- who is younger than me; and
- who does not file a joint return with a spouse.

Special rules apply where two or more taxpayers claim an individual as a qualifying child or where the parents are divorced or separated.*

"Qualifying relative" means an individual:

- with respect to whom the employee provides over one-half of his or her support;
- who has the same principal place of abode as the employee for the taxable year and whose relationship is not in violation of local law; and
- who is not anyone's qualifying child.

In general, "support" means food, shelter, clothing, medical and dental care, education, and the like; it does not mean that employee merely contributes over one-half of the combined income of the individuals. So, an individual generally will not be a tax dependent if he or she is in the workforce.

Your dependent could be your federal tax dependent for health coverage purposes even if you do not claim an exemption for him or her on your Form 1040.

Because the determination of whether a person is a tax dependent for health coverage purposes turns on facts solely within your knowledge, the Employer cannot make this determination for you. You will be asked to complete an attestation each year at open enrollment.

This is a summary only and may not take into account all the circumstances relevant to the determination of tax status. If you are not sure how these requirements apply, you should contact an attorney or a tax professional.

***Special Rules Where Two or More Taxpayers Claim an Individual as a Qualifying Child**

When both taxpayers are the child's parents and they do not file a joint return together, the child is treated as the qualifying child of the parent with whom the child resides for a longer period of time during the taxable year. If the child resided with both parents for the same amount of time during the taxable year, the child is treated as the qualifying child of the parent with the higher adjusted gross income. Furthermore, if the taxpayers are divorced, separated, or living apart and meet certain conditions (e.g., relating to custody, support, and a release of exemption claims), a special rule allows the noncustodial parent to claim the child as a dependent for certain purposes.

If an individual may be considered the qualifying child of both a nonparent and a parent, the individual will be treated as the qualifying child of the parent unless (1) no parent claims the individual as a qualifying child and (2) the nonparent has a higher adjusted gross income than any parent. Where two or more nonparents claim an individual as a qualifying child, a child is treated as the qualifying child of the taxpayer with the highest adjusted gross income for the taxable year.

Special Rules for Divorced or Separated Parents

Noncustodial Parent Can Claim Child as Qualifying Child or Qualifying Relative If Conditions Are Met Under Code § 152(e)

Under Code § 152(e), a special rule determines which one of a child's parents is entitled to claim the child as a qualifying child or as a qualifying relative when the parents are divorced, separated, or living apart. Generally, the parent most likely to claim the child is the "custodial parent" (the parent having custody for the greater portion of the calendar year). Since one of the requirements to be a qualifying child is that the child must have the same principal place of abode as the employee for more than half of the employee's taxable year (the residency test), ordinarily the noncustodial parent (the parent who is not the custodial parent) would not be entitled to claim the child as a qualifying child or qualifying relative.

But if certain conditions are met, a child can be the qualifying child or qualifying relative of the noncustodial parent instead. This special rule applies notwithstanding (1) the residency test to be a qualifying child; (2) the special tiebreaking rule regarding two or more taxpayers claiming a qualifying child; and (3) the support test to be a qualifying relative.

The following requirements must be met for a noncustodial parent (e.g., an employee who participates in the health plan but whose child lives elsewhere) to claim the child as a qualifying child or qualifying relative for the calendar year:

- *Divorce, Separation, or Living Apart.* The parents (1) are divorced or legally separated under a decree of divorce or separate maintenance; (2) are separated under a written separation agreement; or (3) lived apart at all times during the last six months of the calendar year.
- *Support.* The child receives over half of his or her support during the calendar year from the child's parents. For purposes of this rule, support received from a parent's new spouse (i.e., a stepmother or stepfather) is treated as received from the parent.
- *Custody.* The child is in the custody of one or both of the parents for more than half of the calendar year.
- *Release of Exemption.* The custodial parent signs a written declaration (in such manner and form as may be prescribed by regulation) that he or she will not claim the child as a dependent for any taxable year beginning in the calendar year and the noncustodial parent attaches the declaration to his or her tax return for that year. (The custodial parent generally signs IRS Form 8332 (Release of Claim to Exemption for Child of Divorced or

Separated Parents) and gives it to the noncustodial parent who will claim the exemption. The noncustodial parent then attaches Form 8332 to his or her tax return for each year that the exemption is claimed.)

Special rules apply for divorce, maintenance, or separation agreements executed before 1985.

The rule for divorced or separated parents does not apply when over half of the child's support is treated as having been received from a taxpayer under multiple support agreements**.

Child of Divorced or Separated Parents May Qualify as Dependent of Both Parents for Purposes of Obtaining Tax-Free Health Coverage

For purposes of obtaining tax-free health coverage, a child whose parents who are living apart during the last six months of the calendar year, divorced, or separated is considered to be a dependent of both parents if:

- the child receives over half of his or her support during the calendar year from the child's parents, and
- the child is in the custody of one or both of the parents for more than half of the calendar year.

The rule for divorced or separated parents does not apply when over half of the child's support is treated as having been received from a taxpayer under multiple support agreements**.

****Multiple Support Agreement**

For these purposes, over half of the individual's support for a calendar year is treated as being from the employee if the following conditions are met:

- no one person contributed over half of the support;
- over half of the support was received from two or more persons, each of whom (but for the fact that any one person alone didn't contribute over half of the support), would have been entitled to claim the individual as a dependent for a taxable year beginning in the calendar year;
- the employee contributed over 10% of the support; and
- each person described in the second bullet (other than the employee) who contributed more than 10% of such support files a declaration with the IRS that such person will not claim the individual as a dependent for any taxable year beginning in the calendar year.

A multiple support agreement is used when two or more people provide more than half of a person's support, but no one alone provides more than half.

Example. You and your three brothers each provide one-fourth of your mother's total support. Under a multiple support agreement, you treat your mother as your dependent. You paid all of her medical expenses. Your brothers repaid you for three-fourths of these expenses. In figuring your medical expense deduction, you can include only one-fourth of your mother's medical expenses. Your brothers cannot include any part of the expenses. However, you and your brothers share the nonmedical support items and you separately pay all of your mother's medical expenses, you can include the unreimbursed amount you paid for her medical expenses in your medical expenses.