



Imputed Income for Other Eligible Adult

Adding a non-tax dependent to your health insurance coverage may have tax consequences. If you add a dependent to your health insurance coverage who does not qualify as a tax dependent under the Internal Revenue Code Section 152 and Notice 2010-38, the Fair Market Value (FMV) of the University of Idaho contribution toward that coverage is considered a taxable fringe benefit, subject to tax withholding.

This calculated fringe benefit is known as imputed income. This fringe benefit will increase your taxable income. Therefore, your Federal, State, Social Security and Medicare taxes may increase. As a result, your net pay will decrease. Your health insurance premium will continue to be deducted on a pre-tax basis.

You are responsible for determining the tax dependent status of dependents when you add them to your health insurance coverage. Consult IRS Publication 501 and IRS Notice 2010-38 for tax dependent guidelines and tests, or speak with a tax adviser. If you have any questions regarding imputed income rates for the University of Idaho medical plan, you may contact the University of Idaho Benefits Center at 1-800-646-6174 or 208-885-3697.