

August 11, 2010

Office of Health Plan Standards and Compliance Assistance
Employee Benefits Security Administration
Room N-5653
U.S. Department of Labor
200 Constitution Avenue, NW.
Washington, DC 20210

Attention: Dependent Care Coverage

RE: RIN 1210-AB41
 29 CFR Part 2590

Interim Final Rules for Group Health Plans and Health Insurance Issuers Relating to
Dependent Coverage of Children to Age 26 under the Patient Protection and Affordable
Care Act

To Whom It May Concern,

WorldatWork respectfully submits these comments in response to the published Interim Final Rules for Group Health Plans and Health Insurance Issuers Relating to Dependent Coverage of Children to Age 26 under the Patient Protection and Affordable Care Act [Federal Register Volume 75, Number 92 (May 13, 2010)]. We appreciate the opportunity to comment.

Background on WorldatWork

WorldatWork (www.worldatwork.org) is a not-for-profit global human resources association focused on compensation, benefits, work-life and integrated total rewards to attract, motivate and retain a talented workforce. Founded in 1955 and formerly known as the American Compensation Association, WorldatWork provides a network of more than 30,000 members and professionals in more than 100 countries with training, certification, research, conferences and community. It has offices in Scottsdale, Arizona, and Washington, D.C.

WorldatWork members are human resources professionals who design and administer programs — including retirement plans — to attract, motivate and retain employees. These members believe there is a powerful exchange relationship between employer and employee, as demonstrated through the WorldatWork Total Rewards Model. Total rewards involve the deliberate integration of five key elements that effectively attract, motivate and retain the talent required to achieve desired organizational results. The five key elements are: compensation, benefits, work-life, career development and recognition.

The model recognizes that total rewards operate in the context of overall business strategy, organizational culture and HR strategy as well as a complex external environment that influences the organization. Within this context, an organization leverages the five elements to offer and align a value proposition that creates value for both the organization and the employee. An effective total rewards

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strategy results in satisfied, engaged and productive employees, who in turn deliver desired performance and results.

Potential Issues Identified by Select WorldatWork Members

We thank the Departments for these interim final regulations, which provide much needed guidance in helping employers and plan providers implement the dependent coverage provisions of the PPACA. While we appreciate the speed with which the regulations were released, our members still need clarification on a few outstanding issues.

In requesting feedback from our members on the proposed interim final rules relating to dependent coverage of children to age 26 under the Patient Protection and Affordable Care Act, we reached out to a small, select focus group of HR executives who specialize in employee benefits. The group was helpful in identifying some areas in the regulation that need clarification.

One important issue raised was in regards to the definition of the word “child.” The interim final rule doesn’t expressly define child. While the interim final rule gives many examples of when children under the age of 26 should be considered a dependent under the interim final rule, there is no per se definition of child and some confusion exists as to how to define child in relation to the interim final rule. IRS Notice 2010-38 was very helpful in defining “child” for the tax treatment of children in a given taxable year. It would be helpful, for clarification purposes, to include a per se definition of child or for consistency to use the definition contained in IRS notice 2010-38.

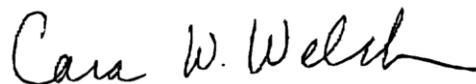
There is also some confusion among companies who are pursuing grandfathered status as to how they should determine whether or not an otherwise eligible dependent has an alternative employer offer of coverage. The interim final rule is very clear on the new notice period for notifying employees of extended dependent coverage but does not clearly outline how employees should let employers know if an otherwise eligible dependent has another employer offer of coverage. There are questions as to whether the burden is on the employer to require employees to report other offers of coverage or whether the obligation is on the employee to come forward with that information. Again, it would be helpful if the Departments could issue more guidance as to how employers with grandfathered plans should handle this.

While our focus group was small and not representative of WorldatWork members as a whole, some important and focused issues were identified for the Department to consider when determining final rules on extending dependent coverage.

Conclusion

In conclusion, we appreciate this opportunity to comment on the Interim Final Rules and are ready to provide any assistance or information needed to facilitate the process of determining final rules on extending dependent coverage. Please do not hesitate to call on us to provide resources or unbiased expertise on employer-sponsored health benefit plans.

Sincerely,



Cara Woodson Welch, Esq.
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WorldatWork