

Dependent Certification Process Frequently Asked Questions

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Overview

What is the Dependent Certification process?

The Dependent Certification process is a requirement for Lockheed Martin employees and retirees with dependents enrolled in any Company-sponsored health plan, to certify that each covered dependent meets dependent eligibility requirements. Health plans include medical, dental and vision plans, and the Virgin HealthMiles physical activity program.

What is the definition of an eligible dependent?

Company-sponsored health plans define eligible dependents as:

- Your opposite-sex spouse (the lawful female wife of an eligible male employee or the lawful male husband of an eligible female employee); OR your common-law spouse (the female wife of an eligible male employee or the male husband of an eligible female employee, where legally recognized in the state of residence and all requirements have been met); OR your same-sex spouse (the female wife of an eligible female employee or the male husband of an eligible male employee, if you have a marriage certificate issued by a state that recognizes same-sex marriage).
- Your same-sex domestic partner, in accordance with the requirements outlined in the Company's Affidavit of Domestic Partnership
- Your children up to their 26th birthday (with no student/marital status or financial requirements), if they are any of the following:
 - your natural children
 - your legally adopted children
 - children placed with you for legal adoption
 - your stepchildren (natural or legally adopted children of your legal spouse)
 - natural or legally adopted children of your same-sex domestic partner.

Your disabled children under age 26 will be covered in a "child" status and do not require supporting medical documentation

- You may also be able to cover your grandchildren up to age 26, but only if you have court-appointed legal guardianship. Acceptable proof of court-appointed legal guardianship will be required before you can enroll a grandchild for the first time.
- Your disabled children age 26 and older who, when they first became disabled, would have met the definition of an eligible dependent and who are incapable of self-sustaining

employment because of mental retardation, serious mental illness, physical sickness or injury. Coverage may continue to age 65 as long as your child remains incapacitated and is otherwise eligible for coverage. To extend this coverage, you must show proof of your child's incapacity within 30 days after regular coverage ends or within 30 days of your child's initial eligibility date, if later. Extended coverage ends when your child:

- marries
- becomes capable of self-support
- fails to report for a scheduled physical exam
- when proof of incapacity is requested and not presented
- when the coverage terminates for reasons other than reaching the age limits described earlier.

Dependents do not include any individual who is also covered as an employee, former employee or retiree under any other Company-sponsored medical plan or a medical plan where the Company is a participating employer.

Important note: If you have HMO coverage, the HMO may have a different dependent definition. If this is the case, the HMO's definition will apply. State exceptions to dependent eligibility may also apply if you participate in a fully insured plan or if required under a collective bargaining agreement. Call the Lockheed Martin Employee Service Center (LMESC) if you have any questions about the definition of an eligible dependent.

My grandchild lives with me. Can I cover him even if I am not his court-appointed legal guardian?

No, acceptable proof of court-appointed legal guardianship will be required before you can enroll a grandchild for the first time. You will need to provide:

- The child's birth certificate
- The parent's birth certificate
- The applicable court-appointed legal guardianship papers.

I am the court-appointed legal guardian of my nephew and have the court-appointed legal guardianship papers. Can he continue to receive coverage under my health plan?

No, your nephew is not eligible for coverage as your child. Only your grandchildren may be covered (up to age 26) pursuant to court-appointed legal guardianship papers. Regardless of the court's determination, a person must meet the eligibility requirements set forth above to be covered under a Company-sponsored health plan.

Who must complete the Dependent Certification?

All employees and retirees covering dependents in any Company-sponsored health plan—whether union-represented or non-represented—must complete this certification process. Company-sponsored health plans include medical, dental and vision plans, and the Virgin HealthMiles physical activity program.

Employees in LM businesses that are not on LM People—such as Sandia—are not participating in Dependent Certification at this time.

I have covered dependents but did not receive a Dependent Certification announcement or kit at my home.

If you are an employee with an enrolled dependent on file approximately four weeks before your Dependent Certification start date and did not receive the certification information at your home, please visit LM People (*Personal Information*) and verify that your home address is correct. If it is, please contact the Lockheed Martin Employee Service Center.

If you are a retiree with an enrolled dependent on file approximately four weeks before your Dependent Certification start date and did not receive the certification information at your home, please contact the Lockheed Martin Employee Service Center.

I am a new hire with covered dependents, but I did not receive a Dependent Certification announcement or kit.

If you enrolled a dependent for the first time within approximately four weeks before this certification period began, you will be included in the *next* Dependent Certification period. Similarly, if your dependent was added to health plan coverage during this period, you will not be requested to certify eligibility for him or her during this certification period. If you have any questions, please contact the Lockheed Martin Employee Service Center.

Purpose

Why is Lockheed Martin asking employees to complete Dependent Certification?

Among the valuable features of Lockheed Martin benefits is the ability to cover eligible dependents. The company must reasonably ensure all plans are administered according to rules outlined in the plan documents.

This need for documentation is important to help provide reasonable assurance of compliance with applicable laws, plan requirements and required administrative processes. Providing coverage to ineligible persons drives health care costs up for all health plan participants, as well as for the corporation.

In addition, an increasing number of employers are taking a closer look at who is being covered in the plans they offer employees—just one of the many ways employers are trying to manage the costs of health care coverage. To reasonably ensure only eligible individuals are included in Company-sponsored plans, more employers are conducting regular audits to validate dependent eligibility, removing those who do not meet eligibility criteria and thus reducing overall costs.

If I confirmed my dependent's eligibility during Annual Enrollment and/or already completed the Dependent Certification process last year, why am I being asked to certify dependents again?

Because family situations can change, it is important that employees verify continued health plan eligibility for all covered dependents on a regular basis.

I have been covering the same dependent(s) on my Lockheed Martin health plan for many years; why is the company asking me to certify eligibility again?

Lockheed Martin trusts that the vast majority of participants cover only eligible dependents. However, as family situations can change, employees may forget to update their benefit coverage accordingly.

Providing coverage for ineligible persons places additional costs on companies and their employees, in addition to being noncompliant with established plan requirements. Continued certification for coverage must be obtained.

If I am paying for coverage, why can't I cover whomever I want?

The company must reasonably ensure all plans are administered according to provisions outlined in the health plan documents. In addition, the corporation contributes a significant portion toward the cost of coverage, which ultimately impacts every employee. By ensuring that only eligible dependents are covered, overall costs to Lockheed Martin and its covered employees are reasonably controlled.

Why is Lockheed Martin asking employees to provide specific details on dependent relationships (such as a natural child vs. stepchild) during the certification process?

The criteria for dependent eligibility are specific to the appropriate dependent relationship. To help assist employees with any potential questions regarding the qualification of a dependent, it is important to provide as much information as possible to clarify the definition of each category of dependent (spouse, child, etc.).

Process

How do I complete the certification for my dependent(s)?

Employees are expected to complete Dependent Certifications using the online process (or it can be completed by phone). During the certification process, you will be asked to answer straightforward questions; you will not need to interpret rules or determine eligibility. At the end of this process, you will be asked to certify that the information provided is accurate.

Below are instructions for contacting the Lockheed Martin Employee Service Center.

Lockheed Martin Employee Service Center Online:

Beginning on the first day of your Dependent Certification period, visit the Lockheed Martin Employee Service Center Online:

Current Employees and Employees on Paid Leave:

- **Step 1: Via the LM Intranet:** Log in to LM People using your NT user name and password > *Pay and Benefits* > *Dependent Certification*.
Via the Internet: Go to www.lockheedmartin.com and click on *Employees* in the upper right-hand corner. On the next page, click *LM People* to log in, following the instructions above.
- **Step 2:** At the **Lockheed Martin Employee Service Center Online** home page, click the *Certify today!* link beneath the *Dependent Certification – Action Required!* notice, then follow the prompts to complete the certification process for each of your enrolled dependents.
- **Step 3:** Once you have finished verifying all of your dependents, click the *Return to Dependent Status Summary* button. You will receive immediate notification on the next screen confirming the eligibility status of each of your dependents. For each completed dependent, you can click their link in the *Status* column to access their Record of Dependent Status and print it for your records. A *Confirmation of Dependent Certification* will either be available online or mailed, according to your personalized communications election. When an online confirmation is available, the Lockheed Martin Employee Service

Center will send an e-mail to your address on file with instructions on how to access your confirmation online.

Lockheed Martin Employee Service Center > by Phone:

Beginning on the first date of your Dependent Certification period (not before), contact a Lockheed Martin Employee Service Center Customer Service Representative at 866-562-2363 toll free, or 800-833-8334 for the hearing impaired. International callers may access the toll-free number by requesting an overseas operator or by calling 201-242-4397. Customer Service Representatives are available between 8 a.m. and 8 p.m., Eastern time, Monday through Friday, except on holidays.

What is the deadline for completing the Dependent Certification process?

The deadline for completing the Dependent Certification process is 11:59PM Eastern April 5, 2013. **Not complying by that date will result in your dependent coverage being terminated**, in addition to documentation requirements and a possible disciplinary review. In addition, failure to comply with documentation requests regarding dependent eligibility for the time they were covered will result in **termination of health coverage for you and any remaining dependents**.

Can I get an extension if I need it?

No, extensions will not be available beyond the deadline communicated. You must complete your certifications by the established deadline.

For employees who enrolled their dependents during Annual Enrollment, will their dependent coverage be terminated if they do not certify during this Dependent Certification period?

Yes.

What happens if I do not complete the Dependent Certification process or respond to a documentation audit request?

As a Lockheed Martin employee with Company-sponsored health coverage, you have a responsibility to comply with these requests. If you choose not to do so, your lack of response will be taken into consideration for further review of possible corporate policy violation. **Failure to complete the certification process for any dependent will result in a loss of coverage for the dependent(s) and will require further documentation to be submitted.**

In addition, after your dependent's coverage is terminated, **failure to comply with documentation audit requirements regarding dependent eligibility for the time they were covered will result in termination of health coverage (medical, dental, vision and/or the Virgin HealthMiles physical activity program) for you and any remaining dependents.**

If coverage is dropped for a dependent because the company determined that he or she is ineligible, what happens next?

Coverage for any ineligible individual will be terminated after determination of ineligibility, to be effective on a specified date after the Dependent Certification period closes. You will be notified with the details. Next, an audit is required to determine the circumstances surrounding that dependent's coverage.

The corporation recognizes that short periods of coverage of ineligible dependents may occur inadvertently due to late reporting of applicable life events, but government contractors have an obligation to determine if unallowable expenditures were made. Therefore, an employee who covered an ineligible dependent will be required to account for any period of coverage for that dependent.

If it is determined that a dependent was covered during any period when they were not eligible for coverage, the corporation must determine the reason(s) for the noncompliant coverage. The employee will be required to produce documentation and/or other information to explain any period of dependent coverage when that dependent may not have been eligible for such coverage. **Failure to comply with documentation requests regarding dependent eligibility for the time they were covered will result in termination of health coverage (medical, dental, vision and/or the Virgin HealthMiles physical activity program) coverage for the employee and any remaining dependents.**

If it is determined that a dependent was covered during a period when they were not eligible for coverage, will disciplinary action be taken?

The facts and circumstances regarding any individual personal situation will be assessed in depth and, if warranted, could result in disciplinary action. The specific details of any individual situation, to include the intent, will determine what, if any, disciplinary action may need to be taken. Each situation is handled on a case-by-case basis to reasonably ensure fairness to the employee and to the corporation.

How is Dependent Certification being audited or verified?

In addition to the Dependent Certification process, ongoing random monthly audits are being conducted to reasonably ensure the accuracy of dependent data and certification.

If I am selected to participate in a random audit, what information will I need to provide?

Employees and retirees who are selected to participate in the random audit must submit reasonable proof of eligibility for each enrolled dependent. Some examples of acceptable proof include tax filings, a marriage certificate or birth certificates for dependent children up to age 26. If you are selected to participate in an audit, you will be provided with instructions and a list of acceptable documentation.

If my tax return is required to support my dependent's (i.e. spouse) eligibility, may I at least "white out" my salary, Social Security number or other information I consider sensitive?

Yes. Only a copy of the front page of your tax return is needed and only to confirm your current marital status, i.e., filing jointly, and/or declared dependents. You may "white out" or otherwise conceal your SSN (however, the last 4 digits should remain clearly visible), earnings and/or other data you consider sensitive that is not relevant to Dependent Certification. In addition, please be assured that any documentation requested for the purpose of validating dependent eligibility will be used for only that purpose. Lockheed Martin remains fully committed to complying with all applicable federal, state, local and international privacy laws and regulations and is dedicated to handling personal information responsibly.

When employees are asked to certify their dependents online, both the dependent's date of birth and partial Social Security number (SSN) are displayed on the screen. Does this pose a risk to my family and, if so, are there plans to change this?

The practice of displaying a dependent's SSN was reevaluated and a decision was made to mask all but the last four digits of the dependent SSN as a privacy best practice. In addition, please be assured that the Lockheed Martin Employee Service Center Online is a secure website and only you can log in to see your personal information. For added protection, be sure to access the application from your home or in some other suitable environment where others cannot easily view your screen. It is also important to note that a change to federal law mandates that Lockheed Martin have accurate SSNs for covered dependents on file for submission to the federal government's agency for Medicare administration.

For More Information

Where can I get answers to my questions on the Dependent Certification process?

For answers to your questions regarding the Dependent Certification process or dependent eligibility, please contact the Lockheed Martin Employee Service Center at 866-562-2363 toll free, or 800-833-8334 for the hearing impaired. International callers can access the toll-free number by requesting an overseas operator or by calling 201-242-4397. Customer Service Representatives are available between 8 a.m. and 8 p.m., Eastern time, Monday through Friday, except on holidays.

Are there preferred times to call the Lockheed Martin Employee Service Center with less wait time for help?

Service center representatives strive to respond to each call in a timely manner. However, there are specific times known to be especially busy, so you may want to call **outside** of these times, which are: Mondays, the first of the month, and the hours between 8 a.m. and 10 a.m. Eastern time. Heavier call volumes than usual are also anticipated for the initial and closing days of the Dependent Certification period.

Note: These FAQs provide selected highlights; only official plan documents can be relied upon for final decisions about eligibility. To the extent there is any inconsistency between information provided in these FAQs and the applicable plan documents and contracts, the terms of the plan documents and contracts will govern.