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health benefits provided to an employee's child up to 27 years of age is tax free for most taxpayers. The adult child does not need to be a dependent of the employee taxpayer.

The IRS announced on April 27

(www.irs.gov/newsroom/article/0,,id=222193,00.html) that the changes are effective immediately and retroactively, allowing employers with cafeteria plans to let their employees use pre-tax contributions to pay for qualified healthcare costs for their adult children.

The new age limit is specifically written as "children who will not have reached age 27 by the end of the year..." This new age standard replaces the lower age limits applied under prior tax law and removes the requirement for dependency status.

More at the IRS:

<http://www.irs.gov/newsroom/article/0,,id=222193,00.html>

[And for readers who might not get the "Dog bites man" reference:

Congress changing tax law is like a dog biting a man... not really news. Now on the other hand, if man bites dog, or Congress actually left tax law alone for a year, well that would be news. ~ Isaac]

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