CRC BENEFITS | THRIVE Workplace Benefits Dedicated to Development and Success

Qualifying Life Events

Qualifying Life Events may occur due to HIPAA Special Enrollment Rights or Cafeteria Plans (§ 125 plans, or pre-tax deduction plans). Generally, employees must request changes within 30 days of the loss of coverage or life event.

HIPAA Special Enrollment Rights fall under two categories: loss of eligibility for other coverage and upon certain life events. Changes under HIPAA must be allowed; there is no option for an employer or carrier to deny changes made under the HIPAA Special Enrollment Rights.

Cafeteria plans, or Internal Revenue Code § 125 plans, require employees to make annual irrevocable elections before the start of the plan year. Mid-year changes are prohibited unless certain status change events occur, however those changes must be consistent with the status change events. IRS regulations outline the types of events and permitted election changes. An employer's cafeteria plan document may adopt some or all of the IRS permitted election changes, however they do not require an employer to adopt those, and they also cannot allow or go beyond the IRS-permissible items. Employers should review their § 125 plan documents to ensure consistency is kept between their cafeteria plan document and their group contract(s).

Qualifying Event	Health Plans (Medical, Dental, Vision, HRAs)	Flexible Spending Account (FSA)	Dependent Care Account (DCAP)
Changes in Legal Marital Status (HIPAA Special Enrollment)			
Dependents are gained due to marriage	• Employees may enroll employee and newly eligible spouse and/or newly eligible stepchild(ren). • Employees also may add previously eligible children under IRS tag-along option. • Employees may drop employee's and/or children's coverage IF other coverage for the person(s) takes effect under new spouse's plan.	• Employees may enroll or increase elections due to newly acquired dependent(s). • Employees may stop or decrease election if employee or dependent(s) become eligible under new spouse's health plan.	• Employees may enroll or increase elections due to newly acquired dependent(s). • Employees may stop or decrease elections if dependent(s) become eligible under new spouse's DCAP plan. • Employee may stop election if new spouse disqualifies (such as the spouse is not employed, disabled or full-time student).
Loss of spouse (divorce, legal separation, or death of spouse)	• Employees may drop coverage only for spouses. • Employees may enroll employee and/or dependents who lose eligibility under spouse's plan. (If any one person loses eligibility, employee may enroll employee and all eligible dependents under IRS tag-along option.)	• Employees may enroll or increase election due to loss of coverage under spouse's health plan. • Employees may drop or decrease election due to spouses losing eligibility.	• Employees may enroll or increase election due to newly eligible dependent(s) (e.g., loss of non-working spouse). • Employees may stop or decrease election if dependent(s) become ineligible (e.g., dependents now live with ex-spouse).

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Qualifying Event	Health Plans (Medical, Dental, Vision, HRAs)	Flexible Spending Account (FSA)	Dependent Care Account (DCAP)
Changes in Number of Dependents (HIPAA Special Enrollment)			
Dependents are gained due to birth, adoption, or placement for adoption	• Employees may enroll employee and newly eligible child(ren). • Employees also may add previously eligible dependents under IRS tag-along option.	• Employees may enroll or increase elections due to newly acquired dependent(s).	• Employees may enroll or increase elections due to change in the number of dependent(s).
Dependents are lost due to death	• Employees may drop coverage only for the child who was lost.	• Employees may drop or decrease election due to change in number of eligible dependents.	• Employees may stop or decrease election due to change in the number of dependent(s).
Changes in Employment Status – Gaining Eligibility (HIPAA Special Enrollment)			
Employees status change results in gaining eligibility under this plan, such as a new job or changing from part-time to full-time	• Employees may enroll employee and eligible dependent(s).	• Employees may enroll.	• Employees may enroll.
Dependents status changes resulting in gaining eligibility under another employer's plan, such as a new job, or changing from part-time to full-time	• Employees may drop coverage for the employee and dependent(s) if they are added to the other employer's plan.	• Employees may drop or decrease election due to dependent(s) new plan.	• Employees may enroll due to dependent(s) new job. • Employees may stop or decrease election if dependent(s) become eligible under spouses new DCAP plan.

Qualifying Event	Health Plans (Medical, Dental, Vision, HRAs)	Flexible Spending Account (FSA)	Dependent Care Account (DCAP)
Changes in Employment Status – Losing Eligibility (HIPAA Special Enrollment)			
Employees' status change results in loss of eligibility under this plan, such as changing from full-time to part-time, termination, or unpaid leave providing no protected status	• Coverage is terminated. COBRA or continuation may apply.	• Coverage is terminated. COBRA or continuation may apply.	• Coverage is terminated.
Dependents status changes results in loss of eligibility under another employer's plan, such as loss of a job, changing from full-time to part-time, or unpaid leave providing no protected status	• Employees may enroll employee and/or dependent(s) who lose eligibility under other employer's plan. • Employees may also enroll other eligible dependents under IRS tag-along option.	• Employees may enroll or increase election due to loss of other plan.	• Employees may enroll or increase election due to loss of other DCAP. • Employees may stop election if dependent(s) become disqualified, such as being unemployed.

Qualifying Event	Health Plans (Medical, Dental, Vision, HRAs)	Flexible Spending Account (FSA)	Dependent Care Account (DCAP)
Changes in Dependent(s) Status – Gaining or Losing Eligibility (HIPAA Special Enrollment)			
Dependent(s) gains eligibility, such as being covered under other parent who dies, or become a student (rare occurrence due to ACA reforms)	• Employees may enroll employee and newly eligible dependent(s). • Employees also may add previously eligible dependents under IRS tag-along option.	• Employees may enroll or increase elections due to newly eligible dependent(s).	• Employees may enroll or increase elections due to newly eligible dependent(s).
Dependent(s) lose eligibility, such as reaching eligibility age limit	• Employees may drop coverage only for the affected dependent.	• Employees may drop or decrease election if dependent becomes ineligible for FSA reimbursements.	• Employees may stop election due to child becoming ineligible (reaches age 13).
Changes in Plan Costs (§ 125 Plans)			
Plan makes small cost change(s) or automatic small changes	• Changes are not allowed, provided that prior notice was provided indicating employees contributions change automatically.	• Changes are not allowed.	• Changes are not allowed.
Plan makes significant cost changes	• If cost increases, employee may change to another plan offering similar coverage or drop coverage. • If cost decreases, employee may enroll or change coverage. • Subject to 60-day advance notice requirement.	• Changes are not allowed.	• If cost increases, employees may increase election due to provider's cost increase, but only if provider is not related to the employee. • If cost decreases, changes are not permitted.

Qualifying Event	Health Plans (Medical, Dental, Vision, HRAs)	Flexible Spending Account (FSA)	Dependent Care Account (DCAP)
Changes in Plan Coverages (§ 125 Plans)			
Plan makes significant curtailment in coverage, such as reduction of benefits, changes in network or other major changes	• Employees may change to another plan offering similar coverage or drop coverage.	• Changes are not allowed.	• Employees may change elections only due to change in provider or change in hours of dependent care.
Plan adds new benefit or coverage option	• Employees may elect the new benefit or coverage option.	• Changes are not allowed.	• Changes are not allowed.
Plan eliminates benefit or coverage option	• Employees may elect another option or drop coverage.	• Changes are not allowed.	• Changes are not allowed.
Other employers plan increases coverage	• Employee may drop coverage for employee or dependent(s) if they are affected by the change in other employers plan.	• Changes are not allowed.	• Employees may stop or decrease election due to increase in other employers DCAP.
Other employers plan decreases or ceases coverage	• Employees may enroll or increase election for employee or dependent(s) if they are affected by change in other employer's plan.	• Changes are not allowed.	• Employees may enroll or increase election due to decrease in other employers DCAP.
Other employers plan offers open enrollment	• Employees may make changes under this employers plan.	• Changes are not allowed.	• Employees may change elections due to changes in other employers DCAP.

Qualifying Event	Health Plans (Medical, Dental, Vision, HRAs)	Flexible Spending Account (FSA)	Dependent Care Account (DCAP)
Changes in Residence (§ 125 Plans or HIPAA Special Enrollment – see notes below)			
Change in residence creates loss of eligibility for current plan election(s), such as moving out of the network area for a plan (HIPAA Special Enrollment)	• Employees may enroll employee and dependent(s) into a plan for which the employee is eligible based on the plan network(s).	• Changes are not allowed.	• Changes are not allowed.
Change in residence triggers eligibility for a different plan, such as moving into a network area for another plan option offered (for example, moving into an area where a HMO is available, where the previous residence was PPO only) (§ 125 Plans)	• Employees may change coverage to the plan for which they are newly eligible, as well as previously enrolled dependent(s). • Employees may also add previously eligible but not enrolled dependent(s) under the IRS tag-along option.	• Changes are not allowed.	• Changes are not allowed.
Judgments, Decrees, or Court Orders (§ 125 Plans)			
Order requiring the employer plan to add child(ren) to the employees' health plan	• Employees and named child(ren) must be enrolled by the employer, if not already covered.	• Employees may add or increase election due to the addition of the child(ren).	• Changes are not allowed.
Order requiring another employer plan to add child(ren) to their health plan	• Employers should remove named child(ren) from the coverage.	• Employees may stop or decrease election due to child(ren) gaining other health coverage.	• Changes are not allowed.

Qualifying Event	Health Plans (Medical, Dental, Vision, HRAs)	Flexible Spending Account (FSA)	Dependent Care Account (DCAP)
Medicare, Medicaid, or CHIP (§ 125 Plans or HIPAA Special Enrollment – see notes below)			
Employee or dependent becomes entitled to Medicare or Medicaid (§ 125 Plans)	• Employees may drop coverage for affected employee or dependent(s). (Note: this is a voluntary coverage termination and does not trigger a COBRA or continuation right).	• Employees may drop or decrease election due to gaining other coverage.	• Changes are not allowed.
Employee or dependent becomes entitled to premium assistance under Medicaid or CHIP (HIPAA Special Enrollment)	• Employees may enroll affected employee or dependent(s) only.	• Changes are not allowed.	• Changes are not allowed.
Employee or dependent loses entitlement for Medicare, Medicaid, or CHIP (HIPAA Special Enrollment)	• Employees may enroll affected employee or dependent(s).	• Employees may enroll or increase election due to loss of other coverage.	• Changes are not allowed.

Qualifying Event	Health Plans (Medical, Dental, Vision, HRAs)	Flexible Spending Account (FSA)	Dependent Care Account (DCAP)
Affordable Care Act (§ 125 Plans)– see notes below)			
Employees whose hours of service are reduced to less than full-time hours, causing a loss of eligibility under the group plan	• Employees may drop coverage for affected employee or dependent(s).	• Employees may drop coverage, if no longer eligible.	• Employees may drop coverage, if no longer eligible.
Employee or dependent(s) gains or loses premium tax credits on the Marketplace	• Changes are not allowed.	• Changes are not allowed.	• Changes are not allowed.
Marketplace open enrollment	• Employees may drop coverage only for dependent(s) based on intent to enroll in a Qualified Health Plan on the Marketplace during the Marketplace open enrollment. Group coverage may be dropped mid-plan year, only on December 31, with Marketplace coverage effective the next day, on January 1.	• Changes are not allowed.	• Changes are not allowed.
Health Savings Accounts (§125 Plans)			
Changes in contributions to Health Savings Accounts	• Employees may change contributions monthly.	• Cannot be enrolled in Health FSA. Changes are not allowed if enrolled in a Limited Purpose FSA for dental and vision expenses only.	• Changes are not allowed.
Employee or dependent enrolls in Medicare, Medicaid, or other group coverage that is not a qualified High-Deductible Health Plan (HDHP)	• Employees and/or dependents must change contributions to the HSA based on the remainder of the calendar year and the newly allowed maximum contribution amount.	• Cannot be enrolled in Health FSA. Changes are not allowed if enrolled in a Limited Purpose FSA for dental and vision expenses only.	• Changes are not allowed.

Qualifying Event	Health Plans (Medical, Dental, Vision, HRAs)	Flexible Spending Account (FSA)	Dependent Care Account (DCAP)
Changes Allowed Based on Group Size (Based on other laws, as noted)			
Employees rehired by an Applicable Large Employer (ALE) within 13 weeks (or 26 weeks for educational organizations) (ACA) **OR** **Employees rehired by a small employer (non-ALE) within 30 days**	• Employees rehired are considered continuing employees and cannot be placed in the waiting period again. Employees should be given the opportunity to elect or decline coverage options, similar to open enrollment. • Verify with small employer carrier	• Employees may enroll in coverage.	• Employees may enroll in coverage.
FMLA for employers of 50 or more employees (ACA) **OR** **Small employers in states where job protected leave is required under state laws, such as PFL, PFMLA, or disability.**	• Employees may drop coverage due to a reduction in hours. • Employers must continue their share of the premium contributions during employees FMLA leave. If the employee does not pay their portion of the premiums as required under the employers written internal policies and procedures, employers may terminate coverage(s).	• Employees may drop coverage, due to reduction in hours.	• Employees may drop coverage, due to reduction in hours.