



Section 125 Mid-Year Election Changes Overview

This table reflects Section 125 mid-year election changes within the current regulatory guidelines and is intended as an overview. Plan administrators and/ or Plan Sponsors are not required to permit any of the exceptions noted below; therefore, underlying plan documents must be reviewed to determine if election changes are allowed outside of open enrollment.

Event	Applies to Plan	Health Care Plan	Applies to Health FSAs	Applies to Dependent FSAs
Change in an Employee's Marital Status (Changes pursuant to HIPAA Special Enrollment Rights must be permitted)				
Marriage	Yes	<ul style="list-style-type: none"> Add self, spouse (and children if applicable) to plan or join spouse's employer's plan, revoking his/her election under current plan. Can change medical plan option 	Yes. Change consistent with event. New election, increase or decrease permitted, but revoking the election is not permitted	Yes. Change consistent with the event. May enroll or increase the newly eligible dependents. May decrease or cease coverage if new spouse is not employed or if spouse makes a Dependent Care Assistance Program (DCAP) election under their plan
Divorce Legal Separation Annulment	Yes	<ul style="list-style-type: none"> Eliminates coverage for spouse; Former spouse is eligible for 36 months of COBRA coverage Elect coverage, including children (if coverage is lost under ex-spouse's plan). May add other children under tag along rule if at least one child loses eligibility under spouse's plan Can change medical plan option 	Yes. Change consistent with event. New election, increase or decrease permitted, but revoking the election is not permitted	Yes. Change consistent with the event. May enroll or increase to accommodate newly eligible dependents (e.g., due to death of spouse) or cease coverage if eligibility is lost (e.g., due to dependent now residing with ex-spouse)

Event	Applies to Plan	Health Care Plan	Applies to Health FSAs	Applies to Dependent FSAs
Death of Spouse	Yes	<ul style="list-style-type: none"> • Terminate coverage for spouse • Elect coverage, including children (if coverage is lost under deceased spouses plan) • May add other children under tag along rule if at least one child loses eligibility under the spouse's plan • Can change medical plan option 	Yes. Change consistent with event. New election, increase or decrease permitted, but revoking the election is not permitted	Yes. Change consistent with the event. May enroll or increase to accommodate newly eligible dependents (e.g., due to death of spouse) or decrease coverage if eligibility is lost
Addition to the Number of Dependents (HIPAA changes must be permitted).				
Birth of Child Adoption Placement for Adoption	Yes	<ul style="list-style-type: none"> • Enroll (employee) • Add new child • Add existing dependents under tag along rule • Add spouse (if applicable) • Change medical plan option • Decrease coverage if eligible under spouse's plan 	Same as for health plan	Yes. Change consistent with the event. Only enrolling or increasing coverage permitted
Dependent Eligibility Changes				
Marriage of Child (Age 26 or older)	Yes	<ul style="list-style-type: none"> • Terminate child's coverage. • ACA requires health plans providing dependent coverage to offer coverage to adult children, both married and unmarried, to age 26 (to the end of the tax year) 	Yes. May decrease elections to account for affected dependent	Yes. May decrease elections of affected dependent
Reaching limiting age. i.e., ages out of the health plan	Yes	<ul style="list-style-type: none"> • Terminate child's coverage. Child is eligible for 36 months of COBRA coverage • May make a coverage option change 	Yes. May decrease elections to account for affected dependent	Yes. May decrease elections of ineligible dependent. (e.g. Dependent turns age 13 in the current plan year and expenses are no longer eligible for reimbursement)

Event	Applies to Plan	Health Care Plan	Applies to Health FSAs	Applies to Dependent FSAs
Death of Dependent Child	Yes	<ul style="list-style-type: none"> • May make the corresponding plan change • Terminate coverage 	Yes. May decrease elections to account for expenses of affected dependent	Yes. May decrease elections to account for dependent that is no longer eligible
Change in Employee Work Status When Eligibility is Affected				
Class Change, e.g., salary to hourly	Yes	<ul style="list-style-type: none"> • May elect coverage for self, spouse and dependents consistent with gaining or losing eligibility • May elect not to apply • May make a coverage option change 	Yes. May elect to participate.	Yes. Change consistent with event
Change in hours, e.g., part-time to full-time	Yes	<ul style="list-style-type: none"> • May elect coverage for self, spouse and dependents consistent with gaining eligibility • May elect not to apply 	Yes. May elect to participate	Yes. Change consistent with event
Strike Lock-out	No	<ul style="list-style-type: none"> • Cancel coverage (reinstate on return) • Coverage ends unless COBRA elected 	No. Coverage stops	No. Coverage stops
Rehire of Employee				
Rehire in less than 30 days	No	<ul style="list-style-type: none"> • Reinstate old elections 	Prior election must be reinstated	Prior election must be reinstated

Event	Applies to Plan	Health Care Plan	Applies to Health FSAs	Applies to Dependent FSAs
Rehire after 30 days or more	Yes	<ul style="list-style-type: none"> Employee may make new elections or employer may require reinstatement of previous election, or prohibit participation until the next plan year 	Employee may make new elections or employer may require reinstatement of previous election, or prohibit participation until the next plan year	Employee may make new elections or employer may require reinstatement of previous election, or prohibit participation until the next plan year

Change in Residence / Worksite

Move into a Network Area affecting Eligibility	Yes	<ul style="list-style-type: none"> Select new coverage consistent with change in area Change in medical plan option permitted 	No change allowed	No change allowed.
Move out of Network Area	Yes	<ul style="list-style-type: none"> Select new coverage consistent with change in area Drop coverage 	No change allowed	No change allowed.

Leave of Absence (FMLA Rules Apply)

Begin Unpaid Leave	Yes	<ul style="list-style-type: none"> May elect to continue or cancel coverage 	May elect to continue or cancel	May elect to continue, cancel or make new election
Return from Unpaid Leave	Yes	<ul style="list-style-type: none"> Employee allowed new election if coverage terminated while on leave 	Yes. Continued or reduced election if coverage is terminated while on leave	Yes. New election if coverage terminated while on leave

Legal Proceedings/Government Programs

Event	Applies to Plan	Health Care Plan	Applies to Health FSAs	Applies to Dependent FSAs
Court Order Judgement / Decree (QMCSO)	Yes	<ul style="list-style-type: none"> Comply with court order 	Employee may change election and may likely elect to participate.	No change
Medicare Entitlement	Yes	<ul style="list-style-type: none"> Reduce coverage for affected individual 	Employee may decrease election	No change
Medicaid Entitlement	Yes	<ul style="list-style-type: none"> Reduce coverage for affected individual 	Employee may decrease election	No change
Loss of a Government Based Plan, e.g., CHIP, Foreign Government Plan	Yes	<ul style="list-style-type: none"> Elect coverage May add spouse and / or dependent to employer's plan if previously covered under a government-based plan 	No change permitted	No change

Change in Employment (Spouse or Dependent)

Spouse or Dependent becomes Eligible under Employers Plan	Yes	<ul style="list-style-type: none"> Employee may remove spouse / dependents if coverage gained under another employer's plan Employee may decrease election if added to his/her spouses or dependents plan May make a coverage option change 	Yes. Change consistent with event allowed	Yes. Employee may elect or increase contribution if spouse did not work previously. Employee may decrease election if another employer's plan offers dependent FSA
Loss of Spouse / Dependent Employment with Loss of Coverage	Yes	<ul style="list-style-type: none"> Employee may elect coverage adding self, spouse / dependents losing coverage to employer's plan 	Yes. Employee may enroll or increase election.	Yes. Employee may enroll or increase election, or they may decrease the election to reflect the loss of eligibility for coverage.

Event	Applies to Plan	Health Care Plan	Applies to Health FSAs	Applies to Dependent FSAs
Other Plan Annual Enrollment (Spouse or Dependent)				
Annual Enrollment Other Coverage on Different Plan Year	Yes	<ul style="list-style-type: none"> Drop coverage for self, spouse and / or dependents enrolling in another plan coverage Add coverage for spouse and / or dependents to employer's plan who were covered under other coverage 	No	Yes. Change consistent with elections made under the another employer's plan permitted

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