

Health Care Reimbursement Account Mid-Year Election Changes

You are allowed to change your annual election for a Health Care Reimbursement Account ONLY if you have a qualifying status change such as the following:

Change in Employee's Legal Marital Status

- Marriage
- Divorce
- Death of a Spouse
- Legal Separation or Annulment of Marriage

Change in Number of Dependents

(Note: Gaining or losing an individual who is not a tax dependent does not allow an election change; this is in line with the tax definition of dependent under Section 152.)

Change in Employment Status

- Termination or commencement of employment by the employee, spouse or dependent.
- Change in Work Schedule (reduction or increase in hours by employee, spouse or dependent, including a change between part-time and full-time, a strike or lockout, or commencement or return from unpaid leave of absence.)

Other Changes

- Dependent satisfies (or ceases to satisfy) dependent eligibility requirements.
- Attainment of limiting age, change in student status, or marriage.
- Commencement or termination of adoption proceedings.
- FMLA leave for you or your spouse.
- Judgment, Decree or Order resulting from a divorce, legal separation, annulment or change in legal custody [includes a Qualified Medical Child Support Order (QMCSO)]
- Entitlement of Medicare or Medicaid.

PLEASE NOTE THAT SIGNIFICANT COST OR COVERAGE CHANGES DO NOT APPLY TO HEALTH FSAs!

The following are **NOT** qualifying events that trigger a mid-year change to a health FSA election:

- Over- or under-estimated expenses for the year
- Services planned for the year are no longer needed
- A significant change in your insurance coverage
- Financial hardship

Two important facts must be considered when allowing a status change mid-year:

1. Participants may make changes to their elections "on account of, and corresponding with, a change in status that affects eligibility for coverage." In other words, a change in status must have occurred.
2. The change in election must be "consistent with the reason that such change was permitted." Example, increasing coverage due to a marriage, or decreasing coverage due to a death.