

While insurance carriers may allow changes to enrollment, regulations require that a Section 125 Qualified Event must occur to change a pretax deduction. All pretax deduction changes must be consistent with, and due to, the Qualified Status Change. Please see the table below for allowable enrollment and pretax changes. **NOTE: Regulations do not require a Section 125 Qualified Event to occur in order to change a pretax deduction for Health Savings Accounts, Parking Expenses, or Transportation Expenses. Employers may restrict the frequency of these changes, but regulations do not limit them.**

Types of Changes Allowed:

Yes = Regulations allow enrollment and/or pretax changes consistent with Event

No = Regulations do not allow any changes

Decrease Only = Regulations only allow enrollment/deductions to be decreased

Increase Only = Regulations only allow enrollment/deductions to be increased

Please Contact = More information is needed to advise. Contact Flyte HCM at 952.746.0000 or clientservices@flytehcm.com for more information.

If an event noted with a *COBRA occurs and Freedom Services administers your COBRA, additional paperwork may be required. Please contact our COBRA administration department with any questions.

Code	Change in Number of Dependents	Changes Allowed to Enrollment and/or Pretax Dollars			
		Medical, Dental, Vision, MEC, iPOP	Life, AD&D, Disability	Health FSA	Dependent Care FSA
1A	Gain Spouse (marriage)	Change: Yes Pretax: Yes	Change: Yes Pretax: Yes	Yes	Yes
1B	Death of Spouse	Change: Yes Pretax: Yes	Change: Yes Pretax: Yes	Yes	Yes
1B	Loss of Spouse (divorce, legal separation, annulment) *COBRA	Change: Yes Pretax: Yes	Change: Yes Pretax: Yes	Yes	Yes
1C	Gain Dependent (birth, adoption)	Change: Yes Pretax: Yes	Change: Yes Pretax: Yes	Yes	Increase Only
1D	Loss of Dependent (death)	Change: Yes Pretax: Decrease Only	Change: Yes Pretax: Yes	Decrease Only	Decrease Only
1E	Dependent Ceases to Satisfy Eligibility of Employer's Plan (over age) *COBRA	Change: Yes Pretax: Decrease Only	Change: Yes Pretax: Yes	Decrease Only	Decrease Only
1F	Commencement or termination of adoption proceedings	Please Contact	Please Contact	Please Contact	Please Contact

Code	Benefit Plan Changes	Changes Allowed to Enrollment and/or Pretax Dollars			
		Medical, Dental, Vision, MEC, iPOP	Life, AD&D, Disability	Health FSA	Dependent Care FSA
2A	Open Enrollment of Other Benefit Plan or Marketplace	Change: Yes Pretax: Yes	Change: Yes Pretax: Yes	No	Yes
2B	Addition of New Benefit Package Option or other Coverage Option, such as Health Savings Account (HSA)	Change: Yes Pretax: Yes	Change: Yes Pretax: Yes	No	Yes
2C	Employee's Enrollment in a Qualified High Deductible Health Plan	Please Contact	Change: Yes Pretax: No	No	Yes
2D	Employee's Change from a Qualified High Deductible Health Plan to a Traditional Health Plan	Please Contact	Change: Yes Pretax: No	No	Yes
2E	Other Employer's Cafeteria Plan Increases Coverage	Change: Yes Pretax: Decrease Only	Change: Yes Pretax: Decrease Only	No	Decrease Only
2F	Other Employer's Cafeteria Plan Decreases or Ceases Coverage	Change: Yes Pretax: Increase Only	Change: Yes Pretax: Increase Only	No	Increase Only
2G	Open Enrollment under Cafeteria Plan of Spouse's or Dependent's Employer	Please Contact	Please Contact	No	Please Contact
2H	Loss of Coverage under: 1. State children's health program or state health benefits risk pool 2. Medical care program of an Indian Tribal government 3. A foreign government group health plan	Change: Yes Pretax: Increase Only	Change: Yes Pretax: No	No	No
2I	Changes in 401K Contributions	Change: Yes Pretax: No	Change: Yes Pretax: No	No	No
2J	Employee, Spouse, or Dependent Enrolled in Employee's Plan Entitled to Medicare, Medicaid, or other government medical assistance *COBRA	Change: Yes Pretax: Decrease Only	Change: Yes Pretax: No	Decrease Only	No
2K	Employee, Spouse, or Dependent Loses Eligibility for Medicare, Medicaid, or other government medical assistance	Change: Yes Pretax: Decrease Only	Change: Yes Pretax: No	Increase Only	No

Code	Leaves of Absence	Changes Allowed to Enrollment and/or Pretax Dollars			
		Medical, Dental, Vision, MEC, iPOP	Life, AD&D, Disability	Health FSA	Dependent Care FSA
3A	Return from Leave of Absence	Please Contact	Please Contact	Please Contact	Please Contact
3B	Commencement of Leave of Absence *COBRA	Please Contact	Please Contact	Please Contact	Please Contact
3C	Employee's Commencement of FMLA Leave	Please Contact	Please Contact	Please Contact	Please Contact
3D	Employee's Return from FMLA Leave	Please Contact	Please Contact	Please Contact	Please Contact

Code	Change in Employment Status	Changes Allowed to Enrollment and/or Pretax Dollars			
		Medical, Dental, Vision, MEC, iPOP	Life, AD&D, Disability	Health FSA	Dependent Care FSA
4A	Change in Employee's Employment Status Triggering Eligibility (such as an increase in hours) * COBRA	Change: Yes Pretax: Increase Only	Change: Yes Pretax: Yes	Increase Only	Increase Only
4B	Commencement of Employment by Spouse or Dependent or Other Event Triggering Eligibility Under Their Employer's Plan	Change: Yes Pretax: Decrease Only	Change: Yes Pretax: Yes	Decrease Only	Yes
4C	Termination of Employee's Employment or Other Change in Employment Status Resulting in Loss of Eligibility (such as a decrease in hours)	Change: Yes Pretax: Decrease Only	Change: Yes Pretax: Decrease Only	Decrease Only	Decrease Only
4D	Termination and Rehire Within Thirty (30) Days	Please Contact	Please Contact	Please Contact	Please Contact
4E	Termination and Rehire After Thirty (30) Days	Change: Yes Pretax: Yes	Change: Yes Pretax: Yes	Yes	Yes
4F	Termination of Spouse's or Dependent's Employment or Other Change in Employment Status Resulting in Loss of Eligibility (such as a decrease in hours)	Change: Yes Pretax: Increase Only	Change: Yes Pretax: Yes	Increase Only	Yes

Code	Other Status Changes	Changes Allowed to Enrollment and/or Pretax Dollars			
		Medical, Dental, Vision, MEC, iPOP	Life, AD&D, Disability	Health FSA	Dependent Care FSA
5A	HIPAA Special Enrollment for Loss of Other Health Coverage	Change: Yes Pretax: Increase Only	Change: Yes Pretax: No	Increase Only	No
5B	HIPAA Special Enrollment of New Dependent due to Birth, Marriage, Adoption, or Placement for Adoption	Change: Yes Pretax: Increase Only	Change: Yes Pretax: No	Increase Only	No
5C	Death of Employee * COBRA	Change: Yes Pretax: Decrease Only	Change: Yes Pretax: Decrease Only	Decrease Only	Decrease Only
5D	Order Requiring Coverage for a Child Under Employee's Plan	Change: Yes Pretax: Increase Only	Change: Yes Pretax: No	Increase Only	No
5E	Order Requiring the Spouse, Former Spouse, or Other Individual to Provide Coverage for a Child	Change: Yes Pretax: Decrease Only	Change: Yes Pretax: No	Decrease Only	No
5F	Move Triggers Eligibility	Change: Yes Pretax: Increase Only	Change: Yes Pretax: Yes	No	No
5G	Move Causes Loss of Eligibility (Employee or Dependent Moves Outside of Coverage Area)	Change: Yes Pretax: Yes	Change: Yes Pretax: Yes	No	No
5H	Change In Dependent Care Provider	Change: Yes Pretax: No	Change: Yes Pretax: No	No	Yes
5I	Change in Dependent Care Rates	Change: Yes Pretax: No	Change: Yes Pretax: No	No	Yes
5J	Change in Medical Condition	Change: Yes Pretax: No	Change: Yes Pretax: No	No	No
5K	Change in Financial Condition	Change: Yes Pretax: No	Change: Yes Pretax: No	No	No
5L	Physician or Provider Leaves HMO (does not constitute significant coverage curtailment)	Change: Yes Pretax: No	Change: No Pretax: No	No	No
5M	Commencement of Domestic Partner Relationship That is Not a Marriage	Change: Yes Pretax: No	Change: Yes Pretax: No	No	No

Notes Regarding Enrollment and Pretax Changes

Change in Financial Condition - A change in financial condition by itself is not a permitted Qualified Event, even if it affects an individual's anticipated medical expenses. Life events affecting an employee's financial condition may meet the criteria of a Qualified Event - please see above.

Request to Drop Coverage Retroactively - A Plan may permit an employee to make a prospective change in election to cancel coverage as a result of a Qualified Event, but a retroactive change is not permitted. For example, an event date of June 20, 2017, would allow coverage to be canceled effective July 1, 2017, but not June 1, 2017.

Former Spouse Ordered to Provide Coverage - A Plan may permit an employee to cancel coverage for a child only if the former spouse actually provides the coverage. The Plan should require the employee to certify that the child has actually become covered under the former spouse's Plan.

Commencement of Domestic Partner Relationship That is Not a Marriage - The employee's marital status nor the number of dependents has not changed. In addition, because a domestic partner is not a tax dependent, the employee cannot pay for their partner's insurance coverage on a pretax basis through a cafeteria plan (nor can a partner's medical expenses be reimbursed from an employee's Health FSA). An employee may pay for a partner's insurance coverage on an after tax basis.

Nondiscrimination Testing - A restricted employee may decrease their pretax deductions to bring a Section 125 Plan back into compliance as many times as needed. However, they cannot increase their deductions later in a Plan Year without a Qualified Event. If you are communicating a change due to Nondiscrimination testing, please use code ND on the Employee Profile and Benefit Plan Change Form.

Full Scope and Limited Scope Health FSAs - Regulations consider a full scope Health FSA to be a separate account from a limited scope Health FSA. There is no qualified event that allows a change from one type of account to another.