



# Qualified Life Events: What are They?

Once an employee enrolls in their employer's benefits on a pretax basis through their Section 125 or Cafeteria plan, the IRS does not allow employees to make changes to their pretax elections until the plan year ends, unless a permitted event sometimes called a qualified life

 <p>When may an employee change their elections midyear?</p>	<ul style="list-style-type: none"> <li>• A midyear event recognized by the IRS occurs</li> <li>• The employer's cafeteria plan recognizes the event and allows an election change for that event and;</li> <li>• The change requested is consistent with the event that occurred</li> </ul>
 <p>Common events recognized in a cafeteria plan:</p>	<ul style="list-style-type: none"> <li>• Change in employee's marital status – marriage, divorce</li> <li>• Employee gains/loses a dependent – birth, adoption</li> <li>• Change in employment status by employee, spouse or dependent – commencement, termination</li> <li>• Open enrollment/change in coverage under another employer's plan</li> <li>• HIPAA special enrollment events</li> <li>• Employee's dependent ceasing to satisfy dependent eligibility requirements</li> <li>• Significant changes in cost or benefits provided</li> <li>• FMLA Leave</li> <li>• COBRA qualifying events</li> <li>• Judgment, decrees or court orders</li> <li>• Medicare or Medicaid Entitlement</li> <li>• Reduction in hours</li> <li>• Exchange/Marketplace enrollment</li> </ul> <p>Note: Not all plan documents will include these events, verify with the plan document.</p>

## Tips:

- Employers should have a written policy on the documentation required from an employee to administer a plan change.
- Midyear changes, other than enrolling a child due to birth/adoption must be done on a prospective basis. e.g. If an employee notifies an employer they were married on May 17th but does not submit proof of marriage until June 11th, the employee or their spouse/dependents have to be enrolled on June 11th or later. This rule applies even if the carrier is willing to make the change retroactively.

Disclaimer: This infographic is not intended to be exhaustive nor should it be construed as legal advice. Employers should contact legal counsel or their Alera HR professional for appropriate advice.

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