

## ELECTION CHANGES DURING THE PLAN YEAR

Plan participants may change their annual election for Medical Flexible Spending Accounts and/or Dependent Day Care Flexible Spending Accounts **IF a qualifying event takes place.**

The most common qualifying events are:

- **CHANGE IN EMPLOYEE'S LEGAL MARITAL STATUS**—marriage, divorce or death of a spouse
- **CHANGE IN THE NUMBER OF TAX DEPENDENTS**—birth, adoption or death
- **CHANGE IN EMPLOYMENT STATUS**—termination or commencement of employment, strike or lockout, commencement or return from an unpaid leave of absence, or a change in worksite
- **DEPENDENT SATISFIES (OR CEASES TO SATISFY) DEPENDENT ELIGIBILITY REQUIREMENTS**—due to attainment of a certain age, marriage, loss of student status or gain of student status

Changes in participant's elections during the plan year must be consistent with the event. For example, a Medical Flexible Spending Account may be increased after the birth of a child for medical expenses for the newborn. An increase in the Medical Flexible Spending Account to pay for a dental expense for the father after the birth of a child would **not** be consistent with the event of a birth so no change could be made.

An election change satisfies the consistency requirements for changes in status “if the election change is on account of and corresponds with a change in status affects eligibility for coverage under an employer's plan”<sup>1</sup>

Plan participants have 31 days after the qualifying event to make changes.

A Life Status Change form may be found in the forms section of the Peter Zappa & Associates web site. Plan participants may also call Peter Zappa & Associates at (800) 659-0527 to discuss the change and obtain a copy of the Life Status Change Form.

Family Medical Leave Act leaves of absence also allow plan participants to change annual elections. The changes must be consistent with FMLA requirements. Please call Peter Zappa & Associates to review the changes FMLA allows.

1. Treasury Regulation 1.125-4(c)(3)(i)(ii)