

What are Qualifying Life Events?

BENEFITS SPOTLIGHT

What is a Qualifying Life Event?

One of the things you can count on in life is change. When those changes occur, they might open the door for an employee to qualify to sign up for health insurance or make a change outside of an annual enrollment period.

Many employees are often surprised when they learn that their insurance elections are locked in for the plan year. That's why it's important for your HR team to lay out the rules for when an employee may join your company's benefits or make an election change.

How long does an employee have to make a change?

Usually, within 30, 31, or 60 days of the qualifying event. It depends on what the employer's plan documents state, what the insurance carrier allows, and most of important of all, the type of qualifying life event.

There are two types of "qualifying events." One type falls under HIPAA special enrollment and the other falls under Section 125 events. The vast majority of employers allow midyear changes if an event falls under either of those categories.

HIPAA special events include marriage, birth, or involuntary loss of coverage, such as aging off a plan. The regulations require employers to allow **at least 30** days from the date of the event to request enrollment.

Examples of Qualifying Life Events

- Marriage
- Birth, adoption, legal guardianship
- Court order or child support order
- Divorce or legal separation
- Losing a loved one
- Turning 26
- Moving from part-time to full-time status or vice versa
- Dependent's loss of coverage
- Becoming eligible for or loss of Medicaid or CHIP
***HIPAA special enrollment requires a minimum of 60 days for enrollment.**
- Becoming eligible for Medicare
- Change in residence resulting in change in service area

Unlike HIPAA, IRS Code Section 125 does not contain a specific timeline in which an employee must request a mid-year election change. However, most plans impose a time limit (typically 30/31 days) but this is a matter of plan design, not a requirement from the regulations.

If you pre-tax employees' deductions, then you offer a Section 125 plan. Employers should remind employees before enrollment, that enrollment in pre-taxed benefits are irrevocable under a Section 125 plan. Midyear changes are prohibited except on account of and consistent with a qualifying live event change.

