

How to make Midyear Plan Changes

To make changes to your PEBB benefits plan during the year, you must experience a qualified status change (QSC).

What is a QSC?

A QSC is an event that changes your work or family circumstances. The IRS requires that PEBB comply with federal regulations for midyear benefit changes. Midyear plan changes must meet the IRS "consistency rule," which means the QSC must affect eligibility, and the requested change must be consistent with the way eligibility has been affected.

The requested benefit change must link to the QSC. Here are two examples.

Example 1

You adopt a child. This QSC allows you to add the dependent child to your current medical and dental insurance coverage. There is no other fact around this single event that would allow you to change to a new medical or dental plan. You can adopt the child and add him or her to your current coverage.

Example 2

You move from an eligible full-time position to an eligible part-time position. This QSC makes you eligible to enroll in the part-time plans or the full-time plans and also changes the employer's benefit amount. You can change benefit plans and add or delete coverage.

What is the time frame for making benefit changes because of a QSC?

Your agency must receive the completed appropriate forms within 60 days of the QSC. Changes beyond 60 days of the QSC event require PEBB review and approval.

What must I do to make a benefit change?

To make changes to your **medical or dental coverage**, complete the Medical and Dental Update form, and submit it to your agency. The agency must receive the form within 60 days of date of the QSC.

To make changes to your **life or disability coverage**, complete the Life and Disability Update form, and submit it to your agency. The agency must receive the form within 60 days of the QSC.

To make changes to your **flexible spending account**, complete the Flexible Spending Account Update form, and submit it to your agency. The agency must receive the form within 60 days of the QSC.

If you have questions or need more information regarding QSCs, contact your agency.

Qualified status changes may affect your choices.

What is the effective date of a change made because of a QSC?

If you are adding a dependent or making a benefit change because of a QSC, coverage changes are effective the first of the month following the date the agency or PEBB receives the required forms, or the date of the QSC, whichever is later. Submitting an update form before the QSC will not change the effective date.

If you are removing a dependent from coverage because of a QSC, the coverage will end the last day of the month eligibility is lost.

What are the special QSCs for dependents?

Biological newborns receive plan coverage from the moment of birth through the 31st day of life. However, you must submit the update form to your agency within 60 days of birth to continue the coverage. When forms are submitted within the 60-day period, the agency will approve coverage continuously and retroactively, so claims incurred during that time will be paid.

Dependent children age 19 and up to 24 may remain under your coverage only if, during the year following each birthday, you certify that you expect them to meet one of the following criteria:

- Meets the IRS definition of a dependent child attending school full time (this excludes foreign students)

- The eligible member provides or expects to provide more than half the child's support for the year, and the child lives in the member's home for at least six months of the year
- Is incapable of self-sustaining employment because of a developmental disability, mental illness or physical disability.

It is your responsibility to notify the agency or PEBB when any dependent, domestic partner or partner's child no longer qualifies for coverage. Not providing notification may cause you to have to repay claims expenses incurred when the individual no longer qualified for coverage.

Examples of Midyear Changes

Midyear changes that affect eligibility for insurance benefits

These changes fall into three broad categories.

1. Changes in status. For example, changes in
 - Legal marital status, such as marriage or divorce
 - Number of dependents, such as birth or adoption of a child
 - Your or a family member's employment status, such as the start or end of employment, or a change from part time to full time
 - Eligibility of a dependent, such as a dependent losing eligibility because of age
 - Your residence or that of a family member
 - Your domestic partnership
2. Cost or coverage changes. For example:
 - An increase in out-of-pocket premium cost
 - Reduction in your spouse's or domestic partner's group insurance plan benefits.
3. Other laws or court orders. For example: National Medical Support Notice, Medicare, or HIPAA.

QSCs that affect eligibility for dependent care flexible spending accounts

- You marry and gain children as dependents
- Your spouse dies, or you divorce or have a legal separation or annulment and this affects the need for dependent care

- Your biological child is born, you adopt a child, or a child is placed with you for adoption
- A dependent child dies
- A child becomes eligible as a dependent for coverage under your benefits
- A child is no longer eligible as a dependent for coverage under your benefits
- Your employment status changes
- Your spouse's employment status changes
- You experience a change in cost or coverage of dependent care.

QSCs that affect eligibility for health-care flexible spending accounts

- You marry
- Your spouse dies, or you divorce or have an annulment
- Your biological child is born. You adopt a child or a child is placed with you for adoption
- A dependent child dies
- A child becomes eligible as a dependent for coverage under your benefits
- A child is no longer eligible as a dependent for coverage under your benefits
- Your or your spouse's employment changes and that affects your health care eligibility.