

Midyear Plan Changes

During the plan year, you may not revoke choices related to your participation in the benefits program, plan selections, or related salary deductions unless you experience a qualified status change.

A qualified status change (QSC) is one type of a midyear plan change event. This is an event that changes your work or family circumstances. A QSC is the most common type of midyear plan change event; however, there are several other change events allowed. The IRS requires that PEBB comply with federal regulations for midyear benefit changes. Midyear plan change events must meet the IRS "consistency rule," which means the event must affect eligibility, and the requested plan change must be consistent with the way eligibility has been affected. This means the requested benefit change must link to the event.

Here are two examples.

- **Example 1. You adopt a child.** This is a QSC event that allows you to add the dependent child to your current medical and dental insurance coverage and to add or increase other coverage related to the adoption, such as adding optional Dependent Life insurance. There is no other fact around this single event that would allow you to change to a different medical or dental plan than what you currently have. The exception to this would be if you wanted to change from a PPO to an HMO plan or vice versa.
- **Example 2. You move from an eligible full-time position to an eligible part-time position.** This change is also a QSC and makes you eligible to enroll in the part-time and retiree plans or the full-time plans. It also changes the monthly benefit amount from the employer. You may change benefit plans and add or delete coverage.

To make a change based on a mid year plan change event your agency must receive the appropriate update form within 60 days of the date of the event. Update forms are available online.

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.

If you experience a change in status that makes you ineligible to cover someone else, your elections will change correspondingly, whether or not you request the change within the 60-day period. For example, if a dependent becomes age 19 to 24 during the year and you do not certify that the dependent is eligible for coverage during the next plan year; the dependent coverage will automatically end December 31.

Examples of Midyear Change Events

Midyear change events that affect eligibility for insurance benefits

These changes fall into three broad categories.

1. Qualified status changes, such as changes in
 - Legal marital status – marriage, divorce or death of a spouse
 - 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 job status
 - Eligibility of a dependent, such as a dependent losing eligibility because of age
 - Your residence or that of a family member
 - Your domestic partnership

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2. Changes in cost or coverage, such as
 - An increase in premium cost that you pay
 - Reduction in your spouse's or domestic partner's group health insurance plan benefits
3. Changes by law or court order, such as National Medical Support Notice, Medicare, or HIPAA

Midyear changes 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.

Midyear changes that affect eligibility for healthcare 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, which affects your healthcare flexible spending account eligibility.

HIPAA Special Enrollment Rights

Biological newborns, adoption, or placement for adoption receive health plan coverage retroactive to the event through the first 31 days. However, you must submit the update forms to your agency within 60 days of birth to continue the coverage. When forms are submitted within the 60-day period and up to 12 months from the date of birth, the agency will approve coverage continuously and retroactively, so claims incurred during that time will be paid.

If you previously declined enrollment for yourself or your dependents (including your spouse or domestic partner) because of other health insurance or group health plan coverage, you may be able to enroll yourself and your dependents in a PEBB plan if you or your dependents lose eligibility for that other coverage (or if the employer stops contributing toward your or your dependents' other coverage). However, you must request enrollment within 60 days after your or your dependents' other coverage ends (or after the employer stops contributing toward the other coverage).

Tag along rule: If you add new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and dependents that were eligible but not enrolled. However, you must request enrollment within 60 days after the marriage, birth, adoption, or placement for adoption. To request special enrollment or obtain more information, contact PEBB at (503) 373-1102, or e-mail inquiries.pebb@state.or.us.

Appendix A (<http://www.oregon.gov/DAS/PEBB/docs/SPD/QSCmatrix.pdf>) details QSCs and consistent benefit changes that may be made.

Ending Participation in PEBB

Employees no longer participate in a PEBB plan when the PEBB plan ends or the employee is no longer eligible to participate.

When an active employee is no longer eligible, and the employee has 80 or more paid regular hours in that month, benefits will end the last day of the following month.

When an active employee is no longer eligible, is not on a protected leave and has less than 80 paid regular hours in the month, benefits will end the last day of that month.

If the employee has a flexible spending account (FSA) at the time benefits end, the account will end as described in the FSA member handbook.

Becoming Eligible after Ending Participation

PEBB will reinstate benefits an employee had on ending participation when the employee is rehired, within 30 days and again eligible for benefits. The employee may not change benefit elections until the next Open Enrollment or a midyear plan change event occurs.

An eligible employee returning to work beyond 30 days and within 12 months of the insurance coverage end date following layoff or termination of employment is not required to work at least half time in the month they return to be eligible for benefits the following month. The previous enrollments will be reinstated, if available, the first of the month following their return to work. Flexible Spending Accounts and Long Term Care benefits are not reinstated. The exception is if the individual continued participation in a healthcare FSA while on COBRA. In this case, PEBB will reinstate the FSA. The employee has 60 days from the date of rehire to change benefit elections.

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When an employee is rehired more than 12 months after ending participation and is eligible to participate, the employee must enroll as a newly eligible employee.

Returning to Work from a Leave without Pay or Reduction in Hours

An eligible employee who returns to work following a layoff, termination of employment, or leave without pay in a protected leave class (FMLA, Active Military Duty Leave, CBIW) is not required to work at least half time in the month the employee returns to work to be eligible for benefits the following month. The employee must work at least half time each month after that to qualify for benefits.

An eligible employee who returns to work from a leave without pay that is not within a protected leave class (FMLA, Active Military Duty Leave, CBIW) or a reduction in hours must work at least half time in the month the employee returns to work to be eligible for benefits the following month. The exception is job-share positions.