

A&B FlexSolutions—Qualifying Status Changes

	HEALTHCARE (MEDICAL/VISION AND DENTAL)	LIFE	AD&D	LTD	FSAs
Gain a Dependent(s) <ul style="list-style-type: none"> ▪ Marriage ▪ Birth ▪ Adoption ▪ Placement for Adoption ▪ Stepchild ▪ Custody Change 	<p>May enroll employee, spouse, and child; employee may drop coverage if electing coverage under new spouse's plan.</p> <p>May not change option.</p>	<p>Enroll, increase, drop, or decrease as consistent, subject to EOI requirements.</p>	<p>Enroll, increase, drop, or decrease as consistent.</p>	<p>May increase one level.</p>	<p>Dependent Care: Enroll or increase if gaining a new child; drop or decrease if new spouse cares for child.</p> <p>Health Care: No change.</p>
Lose a Dependent(s) <ul style="list-style-type: none"> ▪ Divorce ▪ Legal Separation ▪ Annulment ▪ Death 	<p>Enroll employee or child if other coverage is lost; drop dependent.</p> <p>May not change option.</p>	<p>Enroll, increase, drop, or decrease as consistent, subject to EOI requirements.</p>	<p>Enroll, increase, drop, or decrease as consistent.</p>	<p>Enroll, increase, drop, or decrease as consistent.</p>	<p>Dependent Care: Enroll, increase, drop, or decrease as consistent.</p> <p>Health Care: No change.</p>
Qualified Medical Child Support Order (QMSCO)	<p>Enroll or drop child as directed by court in QMSCO. Employee must be enrolled to enroll child.</p>	<p>No change.</p>	<p>No change.</p>	<p>No change.</p>	<p>Dependent Care: No change.</p> <p>Health Care: As directed by QMSCO.</p>

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Employee Loses Eligibility for Benefits <ul style="list-style-type: none"> ▪ Termination ▪ Reduced hours ▪ Strike or lockout 	Drop coverage.	Drop coverage.	Drop coverage.	Drop coverage.	Drop dependent care and health care FSA plans.
Begin Unpaid Leave by Employee <ul style="list-style-type: none"> ▪ Disability (more than six months, but not approved for LTD) ▪ Personal (up to 90 days)* ▪ Military ▪ Family Care 	Drop or continue coverage. If continuing coverage, employee continues after-tax or pre-tax contributions if he or she agrees to prepay at the time of leave. If LTD benefits are not approved, employee may continue coverage through COBRA. *(In Hawaii, if employee drops coverage, he or she must provide proof of other coverage or complete Form HC-5.)	Drop or continue coverage. If continuing coverage, employee continues after-tax or pre-tax contributions if he or she agrees to prepay at the time of leave. Treat as terminated if not approved for LTD benefits.	Drop or continue coverage. If continuing coverage, employee continues after-tax or pre-tax contributions if he or she agrees to prepay at the time of leave. Treat as terminated if not approved for LTD benefits.	Drop coverage. If continuing coverage, employee continues after-tax or pre-tax contributions if he or she agrees to prepay at the time of leave. Payments are made for up to 3 months or in accordance with FMLA.	Drop or continue coverage. If continuing coverage, employee continues after-tax or pre-tax contributions if he or she agrees to prepay at the time of leave. Treat as terminated if not approved for LTD benefits.
Employee Gains Eligibility for Benefits <ul style="list-style-type: none"> ▪ Return from unpaid leave ▪ Increased hours ▪ Other change in employment status 	Reinstate if employee returns within 30 days. If a status change occurs or employee returns after 30 or more days, then allow new elections. Enroll employee, spouse and child if employee is newly eligible for benefits.				

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Dependent Loses Eligibility for Benefits under Another Plan <ul style="list-style-type: none"> ▪ Begin unpaid leave of absence ▪ Reduced hours ▪ Strike/lockout 	Enroll employee, spouse or child if coverage is lost under spouse's plan.	Employee Life: No change. Dependent Life: Enroll or increase coverage for dependent.	No change.	No change.	Dependent Care: Enroll or increase if other coverage is lost. Drop or decrease if no longer eligible. Health Care: No change.
Dependent Gains Eligibility for Benefits under Another Plan <ul style="list-style-type: none"> ▪ New employee ▪ Return from unpaid leave ▪ Increased hours 	Drop if electing coverage under spouse's plan or if child is covered by another plan.	Employee Life: No change. Dependent Life: Drop or decrease coverage for dependent.	No change.	No change.	Dependent Care: Drop or decrease if dependent enrolls in other dependent care or health care FSA plan. Health Care: No change.
Dependent's Employment is Terminated	Enroll if other coverage is lost.	Enroll, increase, drop or decrease.	Enroll, increase, drop or decrease.	Enroll, increase, drop or decrease.	Dependent Care: Enroll or increase if other coverage is lost. Drop or decrease if no longer eligible. Health Care: No change.

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Dependent Child Gains or Loses Benefits Eligibility (Age, Student Status, etc.)	Enroll or drop dependent coverage as consistent.	No change.	No change.	No change.	Dependent Care: Drop or decrease. Health Care: No change.
Long-Term Disability <ul style="list-style-type: none"> ▪ Inactive status; LTD approved and benefits payable 	Employee contributions may be required, but must be made on an after-tax basis.	Employee Life continued by Company. Dependent Life continued by employee with after-tax contributions.	Coverage terminates at the end of the month disability begins. Conversion is not available.	Coverage terminates on the date of disability; LTD benefits are paid under waiver of premium provision of the LTD contract.	Contributions cease. Offer COBRA for health care FSA. May submit health care and dependent care claims until 3/31 of following year.
Change in Plan or Cost <ul style="list-style-type: none"> ▪ A&B or spouse's employer adds or eliminates plan or coverage option ▪ Plan or provider increases cost mid-year 	<i>Plan is added or eliminated:</i> May enroll, increase, drop, or decrease coverage as consistent. <i>Increased cost:</i> May pay new cost or change to similar coverage.	<i>Plan is added or eliminated:</i> May enroll, increase, drop, or decrease coverage as consistent; subject to EOI requirements. <i>Increased cost:</i> May pay new cost or change to similar coverage.	<i>Plan is added or eliminated:</i> May enroll, increase, drop, or decrease coverage as consistent. <i>Increased cost:</i> May pay new cost or change to similar coverage.	<i>Plan is added or eliminated:</i> May enroll, increase, drop, or decrease coverage as consistent. <i>Increased cost:</i> May pay new cost or change to similar coverage.	Dependent Care: <i>Plan is added or eliminated:</i> Enroll, drop, or change coverage as consistent. <i>Increased cost:</i> May pay new cost if provider is not a relative, or there is a change to similar coverage. Health Care: No change.

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Other Employer Ceases or Significantly Reduces Plan Contributions	Enroll employee, spouse, or child if other employer's contribution reduction causes "significant" cost change to medical, dental, and/or vision coverage.	May enroll, increase, drop or decrease coverage.	May enroll, increase, drop or decrease coverage.	May enroll, increase, drop or decrease coverage.	Dependent Care: If Dependent Care FSA was partially funded by other employer, may enroll or increase coverage. Health Care: No change.
Change in Residence or Worksite	Change plan option only if no longer in current plan's service area.	No change.	No change.	No change.	Dependent Care: Increase or decrease coverage. Health Care: No change.
Entitlement to Medicare or Medicaid	Drop employee, spouse, or child if entitled to Medicare or Medicaid.	No change.	No change.	No change.	Dependent Care: No change. Health Care: Drop or decrease coverage.

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<p>COBRA Eligibility is Changed</p> <ul style="list-style-type: none"> ▪ Employee's hours are reduced or dependent is newly eligible for COBRA Under A&B's Plan ▪ COBRA coverage under other employer's plan ends for employee and/or dependents 	<p><i>COBRA-eligible:</i> Drop coverage.</p> <p><i>COBRA ends under other plan:</i> Enroll employee, spouse, or child.</p>	No change.	No change.	No change.	<p>Dependent Care: N/A.</p> <p>Health Care: <i>COBRA-eligible:</i> Allow active employees to pay FSA premiums pre-tax.</p> <p><i>COBRA ends under other plan:</i> Enroll employee, spouse, or child.</p>

Notes:

1. Changes must be made within 30 days of the qualifying event.
2. Changes must be consistent with the change in status.
3. If coverage ends, provide as appropriate: COBRA or conversion notice; HIPAA certificate.
4. EOI = Evidence of Insurability (proof of good health).
5. While coverage can be retroactive to the date of the event, pre-tax salary reduction changes must be prospective unless the change is to add a child to medical coverage. If the employee is adding a child to medical coverage, then retroactive pre-tax salary reductions for the child's medical coverage are allowed back to the date of birth, adoption, etc. The employee must meet the plan deadline for enrollment (e.g., HIPAA special enrollees have 30 days to enroll after the qualifying life event).
6. Dependent Life (for spouses and children) is an *after-tax* benefit and cannot be included in a Section 125 plan.
7. Core Life and LTD coverage is required for non-bargaining unit employees.