

Employee is asking to:

Add Coverage

Is a HIPAA special enrollment right triggered?

- Loss of coverage
- Acquisition of a new dependent through marriage, birth or adoption
- Becoming eligible for a Medicaid/CHIP subsidy

No

Yes

Enrollment must be permitted for the medical plan. For other benefits, it depends upon plan terms.



Section 125 rules permit a corresponding increase in pre-tax contributions when a HIPAA special enrollment right is triggered.

Drop Coverage

Carrier will typically allow coverage to be terminated, but pre-tax elections may be reduced only if there is a recognized change in status or life event.

It may not be possible to add coverage mid-year, it depends on plan terms and whether employer and carrier are willing to be more generous than required.



If coverage is permitted without a HIPAA special enrollment right, adding coverage must be tied to a Section 125 change in status or life event to allow pre-tax elections to be increased (otherwise any additional employee contribution should be handled after-tax through the remainder of the plan year).

List of events:

- Change in status:
 - Change in employee's legal marital status
 - Change in number of dependents
 - Change in employment status
 - Change in dependent eligibility status
 - Change in residence
 - Commencement/termination of adoption proceedings
- Change in cost of benefits
- Significant curtailment or improvement of benefits
- Change in coverage under another employer plan (including having a different plan year)
- Loss of group health coverage sponsored by governmental or educational institution
- HIPAA special enrollment
- COBRA qualifying event
- Medicare or Medicaid entitlement
- FMLA
- Enrollment in a public Marketplace