

# Changes During the Year

## Am I permitted to make mid-plan year election changes?

You may enroll, terminate or change your ERA election mid-plan year only if you have experienced a qualified Change in Status event as provided by IRS regulations and the Wisconsin ERA program.

The desired election change must correspond to, and be consistent with, the event. Experiencing a Change in Status event will not automatically permit a mid-plan year election change unless applicable IRS consistency rules are also met. A mid-plan year election change can only be made on a future basis.

## What is the deadline for filing a Change in Status request?

A properly completed Change in Status Request Form must be received by Fringe Benefits Management Company, a Division of WageWorks Wisconsin Office within 30 days after a qualifying event as described in the following section, "What changes are permitted by the IRS?"

## What is my coverage effective date if my Change in Status request is approved?

Your election change or enrollment will be effective on the first of the month on or after the date your approved Change in Status Form is received by Fringe Benefits Management Company, a Division of WageWorks Wisconsin office. Forms will be date-stamped when received and the first changed deduction will be taken from the first available

paycheck. **In no instance will the enrollment or change in coverage be effective before the first of the month following the date of the qualifying event.**

## What is my period of coverage when I make an election change?

A mid-plan year election change will result in split periods of coverage. Money from a previous period of coverage can be combined with amounts after a permitted mid-plan year election change and can be used through the end of the plan year. However, expenses incurred before the permitted election change can be reimbursed only up to the annual election amount that was in effect prior to the change. (See above for information about the effective date of a change in status request).

**Examples:** During the annual enrollment period, Ms. Stevens elects to contribute \$300 to her Medical Expense ERA. She incurred \$300 of eligible expenses in February and was reimbursed for the full amount. Ms. Stevens was married in May. This change in status event allows her to increase her account because of the added expense of her spouse. She elected to increase her annual Medical Expense ERA by \$300. The effective date of this change is June 1. Ms. Stevens now has an additional \$300 that can be used for expenses for either her or her husband that occur on or after June 1.

Mr. Smith elected to contribute \$400 to his Medical Expense ERA during open enrollment. He incurred \$500 of eligible medical expenses in May, but did not request reimbursement for these expenses. In June, Mr. Smith's

wife has a baby. Because he realizes his medical expenses will increase, he increases his annual election amount by \$200. The effective date of this change is July 1. Mr. Smith now has \$600 available in his Medical Expense ERA. In August, he requests reimbursement for the \$500 of expenses he incurred in May and \$100 of expenses incurred in July. Mr. Smith will be reimbursed only \$400 for the May expenses because his annual election amount was \$400 when these costs were incurred. He will be reimbursed for the \$100 of July expenses, leaving a balance of \$100 for the remainder of the plan year.

Mr. Johnson elected to contribute \$800 to his Medical Expense ERA during open enrollment. He was reimbursed \$400 for eligible expenses incurred in July. He was married in August and elected to increase his annual election amount by \$300. His change is effective September 1. He now has up to \$400 (the balance of his original election amount) available for expenses incurred prior to September or \$700 (the \$400 balance plus the additional \$300) that may be used for expenses incurred on or after September 1.

Ms. Jones elected to contribute \$600 to her Medical Expense ERA during open enrollment. She was reimbursed for the entire \$600 for eligible expenses that were incurred in February. Ms. Jones' daughter gets married in May, thus Ms. Jones loses an eligible dependent. Ms. Jones submits a change in status request to decrease her annual amount. Because Ms. Jones has already incurred and was reimbursed for eligible expenses, she may not reduce her annual amount, even though she lost a dependent.

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## How do I request an election change?

**Step 1** – Review the Change in Status rules in this section.

If you have any questions about the eligibility of a requested change or completing the form, call **(608) 592-2020** or e-mail **rseverson@fbmc.com**.

**Step 2** – Obtain a Change in Status Request Form from your Payroll/Benefits Office, from ETF's Internet site, or from Fringe Benefits Management Company, a Division of WageWorks Wisconsin office.

**Step 3** – Determine the amount that you wish to contribute for the remainder of the plan year following your effective date of coverage. Your employer's Payroll/Benefits Office will assist you in determining the number of paychecks remaining in the year.

**Step 4** – Complete, sign and date the form and submit it to: **Fringe Benefits Management Company, a Division of WageWorks, 113 S. Main Street, Suite 200, Lodi, WI 53555 or fax (608) 592-2030**. Retain a copy of documentation supporting your mid-plan year election change request. (It does not need to be submitted with your request.) Examples of documentation are: marriage licenses, divorce decrees, birth certificates, etc.

**Step 5** – The Fringe Benefits Management Company, a Division of WageWorks Wisconsin office will review, on a uniform and consistent basis, the facts and circumstances of each properly completed and timely Change in Status Request Form. If the requested change is approved, a copy of the form will be forwarded to your Payroll/Benefits Office and to their Florida office. If your ERA election change request is denied, you will have 30 days from the date of the denial to file an appeal by following the procedures in the "Appeal Process" section appearing on Page 8.

**Note:** Be sure to send your form to Fringe Benefits Management Company, a Division of WageWorks Wisconsin office in a timely manner. If your form is received after the first of the month, your coverage will not start until the first of the following month.



# Changes During the Year

## What changes are permitted by the IRS?

<p><b>Legal Marital Status:</b> (Marriage; death of spouse; divorce; legal separation; and annulment)</p>	<p><b>Medical Expense Account</b></p> <ul style="list-style-type: none"> <li>• If you marry, you may increase your election when a family member is added; or cease or decrease your election if: (i) you, your spouse or dependents become eligible under your new spouse's employer's medical expense account plan; and (ii) your spouse is a participant in his or her employer's plan, and (iii) coverage for the affected individual becomes effective or is increased under the other employer's plan.</li> <li>• If you cease to be married, you may decrease your election for the former spouse who loses eligibility. You may enroll in or increase your own election only if you have lost coverage under your former spouse's medical expense plan.</li> </ul> <p><b>Dependent Care Account</b></p> <ul style="list-style-type: none"> <li>• If you marry, you may enroll in or increase your election to accommodate any newly-acquired dependent(s); or decrease or cease coverage if your new spouse is not employed or makes a dependent care reimbursement account coverage election through his or her employer.</li> <li>• If you cease to be married, you may enroll in or increase your election to accommodate your newly-eligible dependent (e.g., due to divorce from non-working spouse); or decrease or cease coverage if eligibility is lost due to an event (e.g., because your dependent now resides with ex-spouse).</li> </ul>
<p><b>Number of Your Tax Dependents</b> (Birth; death; adoption; and placement for adoption)</p>	<p><b>Medical Expense Account</b></p> <ul style="list-style-type: none"> <li>• If you gain a dependent, you may enroll in or increase your election for the newly-acquired dependent.</li> <li>• If you lose a dependent, you may decrease or cease your election for the dependent who loses eligibility.</li> </ul> <p><b>Dependent Care Account</b> Same as Medical Expense Reimbursement Account.</p>
<p><b>Change In Status of Employment that Affects Eligibility of the employee, the employee's spouse, or the employee's dependent:</b> (Termination or commencement of employment; strike or lockout; commencement of or return from an unpaid leave of absence; and change in worksite)</p>	<p><b>Medical Expense Account</b></p> <ul style="list-style-type: none"> <li>• If you go on an unpaid leave of absence, you may change your election amount, or terminate coverage.</li> <li>• If you return from unpaid leave of absence, you may start an account or change your election amount.</li> <li>• If your spouse terminates employment, or goes on an unpaid leave of absence, you may enroll in or increase your election if your spouse or dependent loses eligibility for participation in their employer's medical reimbursement plan.</li> <li>• If your spouse or dependent commences employment or returns from an unpaid leave that triggers a gain in eligibility under his or her employer's plan, you may not drop your Medical Reimbursement Account coverage but you may decrease your election if your spouse or dependent gains eligibility and enrolls in his or her employer's medical reimbursement plan.</li> </ul> <p><b>Dependent Care Account</b></p> <ul style="list-style-type: none"> <li>• If you terminate employment, your salary reductions cease but you may continue to request reimbursement for eligible expenses from your account until you exhaust your account balance or the plan year ends even if you have not contributed the full annual amount for which you enrolled. You cannot claim expenses that are incurred while you are not working.</li> <li>• If you return from unpaid leave, you may start an account or change your election amount.</li> <li>• If your spouse terminates employment, or goes on an unpaid leave of absence, you may cease participation if your spouse's loss of employment renders your dependent ineligible for this benefit.</li> <li>• If your spouse starts employment or returns from unpaid leave, you may start an account or increase your election amount to reflect the new eligibility of your dependent (if your spouse previously did not work). You may also terminate your account if your dependent is added to a dependent care plan offered by your spouse's employer.</li> </ul>

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<p><b>Dependent satisfies or ceases to satisfy eligibility requirements.</b> (Gain or loss of dependent status as defined by IRC Section 152)</p>	<p><b>Medical Expense Account</b></p> <ul style="list-style-type: none"> <li>If your dependent gains eligibility, you may enroll in or increase your election to take into account the expenses of the affected dependent.</li> <li>If your dependent ceases to be eligible you may not drop your coverage but you may decrease your election to take into account the ineligibility of the expenses of the affected dependent.</li> </ul> <p><b>Dependent Care Account</b></p> <ul style="list-style-type: none"> <li>If your dependent gains eligibility, you may enroll in or increase your election to take into account expenses of affected dependent.</li> <li>If your dependent ceases to satisfy eligibility requirements (e.g., attains age 13) you may decrease or terminate your election to take into account the expenses only of the affected dependent.</li> </ul>
<p><b>Change in Place of Residence (Your Own, Your Spouse or Dependent)</b> (Does not apply to Medical Expense Accounts)</p>	<p><b>Dependent Care Account</b></p> <p>You may make an election change if a change in place of residence results in a change in the cost or coverage of your dependent care provider.</p>
<p><b>Open Enrollment Under Other Employer's Plan</b> (Does not apply to Medical Expense Accounts)</p>	<p><b>Dependent Care Account</b></p> <p>You may make an election change when your spouse or dependent makes an open enrollment change in coverage under their employer's plan if: their employer's plan year is different from your employer's cafeteria plan, their employer's plan permits a mid-plan year election change under this event, and they participate in a dependent care reimbursement account.</p>
<p><b>Significant Coverage Curtailment</b> (Does not apply to Medical Expense Accounts)</p>	<p><b>Dependent Care Account</b></p> <p>If your dependent care provider significantly reduces its available hours, or goes out of business, you may revoke your election and make a new election for coverage with another dependent care provider. You may also make a corresponding election change when you switch dependent care providers. For example, if you send your child to a daycare center, you can switch to another daycare center or provider. If switching dependent care providers results in a cost increase or decrease, you can make a corresponding change to your dependent care election.</p>
<p><b>Cost Increase or Decrease</b> (Does not apply to Medical Expense Accounts)</p>	<p><b>Dependent Care Account</b></p> <p>If the cost charged by your dependent care provider increases or decreases, you may change your elected contribution under the plan. However, if the day care provider is related by blood or marriage, you cannot change your election amount solely on a desire to increase or decrease the amount being paid to that relative.</p>
<p><b>Certain Judgments, Decrees, or Court Orders</b> (Does not apply to Dependent Care Accounts)</p>	<p><b>Medical Expense Account</b></p> <p>If a judgment, decree, or court order from a divorce, legal separation, annulment, or change in legal custody requires that accident or health coverage for your dependent child (including a dependent foster child) be provided by:</p> <ul style="list-style-type: none"> <li>you may change your medical reimbursement account election to provide the child with corresponding coverage.</li> <li>your spouse, former spouse, or other individual, you may change your medical reimbursement account election to cancel corresponding coverage for the child if the other individual actually provides the coverage.</li> </ul>
<p><b>Eligibility for Medicare and Medicaid</b> (Does not apply to Dependent Care Accounts)</p>	<p><b>Medical Expense Account</b></p> <p>If you, your spouse, or your dependent –</p> <ul style="list-style-type: none"> <li>are enrolled in your employer's health or accident benefit plan, and become entitled to and enroll in Medicare or Medicaid (other than coverage solely for pediatric vaccines), then for that individual you may decrease your medical reimbursement account election, if the Medicare/Medicaid coverage is more comprehensive, or increase it if prior employer coverage was more comprehensive.</li> <li>lose eligibility for Medicare or Medicaid, then for that individual you may increase your election; or decrease it where the employer plan is more comprehensive.</li> </ul>