

Understanding IRS-Approved Qualifying Events and Status Changes for Your **FSA**

This document explains how and when participants can make changes to their Flexible Spending Account (FSA) elections due to an IRS-approved qualifying event or status change.



When a participant experiences a qualifying event, they may be able to make an election change that corresponds with the qualifying event they experienced, if allowed under the group's plan. For example, if there is an increase in the number of dependents due to a birth, they may choose to increase their election. However, they may not decrease their election as a result of a birth.

IRS-Approved Qualifying Events

The following IRS-approved qualifying events allow participants to make changes to their health FSA and/or dependent care FSA elections:

Health FSAs and Dependent Care FSAs

- Change in the number of dependents:
 - Increase election amount due to birth, adoption, or marriage
 - Decrease election amount due to death, divorce, or loss of eligibility
- Change in employment status:
 - Loss of eligibility due to a change in participant, spouse, or dependent employment status
 - Gain of eligibility due to a change in participant, spouse, or dependent employment status
- Enrollment in or loss of Medicare or Medicaid coverage
- Special requirements relating to the Family and Medical Leave Act (FMLA)
- COBRA election under your employer's plan

Dependent Care FSAs Only

The following IRS-approved qualifying events allow participants to make changes to their dependent care FSA elections:

- Change in daycare providers
- Child turning age 13
- Increase or decrease in the cost of qualifying day care expenses
- Judgment, decree, or order requiring a change in coverage

Common Status Change Events

IRS-approved qualifying events may cause a change in status. Common status change events include the following:

Status Change	Description
Legal marital status	Any event associated with a change in an employee's legal marital status. Common examples include marriage, death of a spouse, divorce, legal separation, and annulment.
Number of dependents	Any event associated with a change in an employee's number of dependents. Common examples include birth, death, adoption, and placement for adoption. A dependent is formally defined to be a tax dependent under Code Section 152.
Dependent satisfies or ceases to satisfy eligibility requirements	Any event that causes an employee's dependent to satisfy or cease to satisfy eligibility requirements for coverage. The most common example is a dependent attaining a certain age.
Employment status	Any event associated with a change in employment status of an employee, the employee's spouse, or an employee's dependent. Common examples include loss of employment, gain of employment, and loss or gain of eligibility due to part-time or full-time status.
Adoption Assistance	Any event associated with the commencement or termination of an adoption proceeding.