

Qualifying Midyear Events



Qualifying midyear events are significant life changes that allow employees to adjust their benefit elections outside of the annual open enrollment period. Under a Section 125 cafeteria plan, the IRS recognizes these events, enabling employees to make necessary changes to their health plans or other employer-sponsored benefits. Employers don’t have to allow for all midyear election changes, only those allowed under the Health Insurance Portability and Accountability Act (or HIPAA) special enrollment rights.

Common Qualifying Events

Cafeteria plans may recognize the following events in which an employee is entitled to make election changes during a plan year:



Marriage or divorce—Employees can add or remove a spouse from their benefit plans.



Birth or adoption of a child—New additions to the family allow employees to enroll their children in health plans or increase coverage.



Death of a dependent—Coverage changes may be necessary following the loss of a dependent.



Dependent eligibility change—When a child reaches the age limit for dependent coverage or gains independent insurance, employees may need to update their plans.



Employment status change—A significant change in the hours, role or employment status (e.g., moving from part-time to full-time) of an employee or their spouse can qualify for benefit adjustments.



Loss of other coverage—Employees losing coverage from another source (e.g., spouse’s plan) can enroll in or modify their benefits.



Moving—Residence changes to a different ZIP code or county that impacts coverage options may qualify for changes.

What Can Employees Change?

When a qualifying event occurs, employees can:

- Add or remove dependents
- Enroll in or drop coverage
- Change plan options
- Update coverage levels



Employer Considerations

Understanding qualifying midyear events is crucial for maintaining appropriate benefit coverage. Encourage your employees to report any significant life changes promptly to ensure their benefits align with their current needs. Employees typically have 30 days from the date of the qualifying event to request changes.

Contact us for more employee benefits-related guidance.