

Qualifying Life Event (QLE)

Qualifying Life Events and the FSAFEDS Program

The Federal FSA Program is a tax-savings plan governed by the rules of Section 125 of the Internal Revenue Code. An important rule for Section 125 plans is that you cannot change your election to participate in a Health Care Flexible Spending Account (HCFSAs), Limited Expense Health Care Flexible Spending Account (LEX HCFSAs) or Dependent Care Flexible Spending Account (DCFSA) during the calendar year unless you or your dependent(s) experience a Qualifying Life Event (QLE).

What is a Qualifying Life Event?

A Qualifying Life Event is an event defined by the Internal Revenue Service in Section 125 that allows you to change your FSA election. QLEs include:

- Change in your legal marital status (i.e., marriage, legal separation, divorce, or death of your spouse)
- Change in your number of tax dependents
- Birth of a child or date you adopt a child, or placement for adoption
- Death of a dependent
- Change in your dependent's eligibility (for example, your child reaches age 13 where he/she is no longer eligible under a DCFSA)
- Change in child care/elder care provider or cost or coverage, such as a significant cost increase charged by your current daycare provider, or a change in your daycare provider. This applies to a DCFSA only. It does NOT apply to a HCFSAs or LEX HCFSAs.
- Change in employment status (for employee, spouse, or employee's dependent) that affects eligibility for health insurance benefits

Note: A dependent is anyone you claim on your Federal Income Tax return or someone who jointly files a Federal Income Tax return with you.

What am I allowed to change or enroll in based on my type of event?

- If you or your dependents experience a QLE, you may enroll or change your current election(s) in the FSAFEDS Program; however, your requested change **must be consistent** with the event that prompted the election change.
- If you adopt a baby, you may want to increase your HCFSAs and/or DCFSA elections to accommodate the added medical expenses and/or daycare costs you may incur for this adopted child. However, in general, you could not decrease your DCFSA elections for that QLE.
- If your spouse decided to stay home with your child and you no longer had eligible daycare costs you may wish to decrease your DCFSA. In this case you would want to submit the QLE as a change in cost or coverage of daycare.
- If you experience a change in your daycare costs or if your child turns age 13, you may only make a change to your DCFSA.
- If you are a Federal employee and experience a change in employment status for you or your spouse, and will no longer be covered by your spouses' insurance or flexible spending account, you may enroll in the

FSAFEDS Program for the first time. However, if you experience the death of your spouse you may decrease your HCFSA.

- Additionally, you cannot reduce your HCFSA, LEX HCFSA or DCFSA election(s) to a point where the total allotment for the Benefit Period is less than the amount already reimbursed or already in your account.
- On or after October 1 of any Benefit Period, only those QLEs resulting in a decrease in the annual election will be considered. QLEs resulting in an increase in the annual election or a first time enrollment will not be accepted due to the limited number of pay periods remaining in the calendar year.

I had a Qualifying Life Event. What do I do now?

- To make a change, you must notify FSAFEDS anywhere from 31 days before to 60 days after the date of the event, using the [Qualifying Life Event form](#) or you may submit a QLE request via www.FSAFEDS.com by clicking on the Qualifying Life Event link under Enrollment and following the instructions.

Mail or Fax the completed form to FSAFEDS Program, PO Box 36880, Louisville, KY 40233 or 1-866-643-2245 (toll-free Fax line) or 1-502-267-2233. Please note, if you are establishing a new account due to your QLE, you will also need to submit a completed [Electronic Funds Transfer \(EFT\) form](#). EFT is required to participate in the FSAFEDS Program. Be sure to keep a copy for your records.

- **If you are submitting a QLE request on the website, please do not also mail or fax the QLE Form.**
- FSAFEDS will verify that your event is a Qualifying Life Event. FSAFEDS may request additional documentation of your event or information about how the requested change is consistent with the event. If FSAFEDS can verify the QLE, it will process the election change you have requested. You will receive a confirmation of your QLE approval (or denial) within 5 to 7 business days after you submit the QLE form.

Notification and Effective Date of Coverage

- Payroll changes will be effective on the first pay period following approval (by FSAFEDS) of your QLE as determined by your agency's payroll schedule. If the QLE is due to the birth of a child, your effective date will be retroactive to the date of the event even though your new deduction amount will not go into effect until the first pay period following approval. Any change in the amount deducted from your paycheck cannot be retroactive unless it's due to the birth of a child. FSAFEDS will determine the appropriate prorated rate.
- You can refer to the [Payroll Schedules](#) to estimate the pay period in which your QLE will be effective. While this may not provide you with a definitive date, it will provide you with a good idea of when the change can take place.
- If your QLE does not occur for any reason, you need to fill out Section 5 "Cancellation of this QLE" on the QLE form you submitted and fax it to FSAFEDS immediately, or log into My Account Summary and click on the Qualifying Life Events button in the left menu to cancel your QLE. If changes have already been processed, FSAFEDS will adjust your account accordingly.