

## QUALIFIED LIFE EVENT AND MID-YEAR CHANGES

### IMPORTANT

Information provided is intended solely as a guide and is a partial listing of eligible events and corresponding changes. These changes are governed by the IRS regulations of 125 Cafeteria Plans and must be made within 31 days of the qualifying life event. Supporting documentation must be provided with a request for election changes in accordance with A.R.S. § 38-651.

#### ANYTIME CHANGES - Changes that are allowed at any time throughout the plan year:

- Decline STD coverage,
- Reduce Supplemental life to \$35K for those enrolled with larger amount
- Decline Dependent life
- Life insurance beneficiary changes

| QUALIFIED LIFE EVENT   | SAMPLE CHANGE PERMITTED  | REQUIRED DOCUMENTS<br>(copies are sufficient)  |
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| <b>CHANGE IN LEGAL MARITAL STATUS</b>                                  |  |  |
| <b>Marriage</b>  | <ul style="list-style-type: none"> <li>• Add spouse and/or newly eligible dependent(s) to medical, dental and/or vision coverage in which employee is enrolled</li> <li>• Elect or increase dependent life insurance</li> <li>• Elect short-term disability coverage (longer waiting period may apply)</li> <li>• Elect or increase medical flexible spending and/or dependent care account</li> <li>• Elect or increase employee supplemental life insurance up to \$20K annual max (not permitted if already increased by \$20K in current plan year)</li> <li>• Decline any and/or all coverages now provided by spouse's coverage</li> </ul> | <ul style="list-style-type: none"> <li>• Legal marriage certificate for spouse</li> <li>• Birth certificate for newly eligible child(ren)</li> <li>• Evidence of new coverage under spouse</li> </ul>                            |
| <b>Divorce,<br/>Legal Separation,<br/>Annulment or Death of spouse</b> | <ul style="list-style-type: none"> <li>• Elect any and/or all coverages previously provided to member by spouse's coverage</li> <li>• Decrease supplemental life to pre-tax amount of \$35K if applicable</li> <li>• Remove spouse from all current coverage (mandatory)</li> <li>• Decline dependent life if spouse is only eligible dependent</li> </ul>   | <ul style="list-style-type: none"> <li>• Divorce decree</li> <li>• Notice of legal separation</li> <li>• Notice of legal annulment</li> <li>• Evidence of previous coverage under spouse</li> <li>• Death certificate</li> </ul> |

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|---|--|--|
| <b>CHANGE IN NUMBER OF DEPENDENTS</b>   |  |  |
| <p>Birth,</p> <p>Adoption,</p> <p>Placement for adoption,</p> <p>Guardianship</p> <p>Change in custody<br/>(natural or step-children)</p> <p>Court ordered coverage of dependents (QMSCO)</p> | <ul style="list-style-type: none"> <li>• Cannot decline coverage</li> <li>• Add newly eligible dependent(s) to medical, dental, and/or vision in which member is enrolled</li> <li>• For QMSCO, elect <b>court ordered</b> coverages for mandated dependents if not already enrolled in those coverages</li> <li>• Elect short-term disability coverage (longer waiting period may apply)</li> <li>• Elect or increase medical flexible spending and/or dependent care</li> <li>• Elect or increase dependent life insurance</li> <li>• Elect or increase employee supplemental life insurance up to \$20K annual max</li> </ul> | <ul style="list-style-type: none"> <li>• Birth certificate</li> <li>• Legal adoption papers</li> <li>• Legal guardianship papers</li> <li>• Addition of step-child(ren) require both Birth certificate(s) and legal marriage certificate</li> <li>• Legal court orders</li> <li>• QMSCO</li> </ul> |
| <p>Death of dependent</p> <p>Removal of foster child,</p> <p>Removal of custody or guardianship</p>   | <ul style="list-style-type: none"> <li>• Remove dependent from current coverage</li> <li>• Decrease or decline dependent care account if only eligible dependent is removed</li> <li>• Decrease supplemental life to pre-tax amount of \$35K if applicable</li> <li>• Decline dependent life if no remaining eligible dependents</li> </ul>  | <ul style="list-style-type: none"> <li>• Death certificate</li> <li>• Legal court orders</li> </ul>  |
| <b>CHANGE IN MEMBER'S, SPOUSE'S OR DEPENDENT'S EMPLOYMENT STATUS OR WORK HOURS</b>  |  |  |
| <p>Employment commencement (i.e. spouse begins employment or obtains new coverage)</p>  | <ul style="list-style-type: none"> <li>• Decline any and/or all coverages now provided to member by spouse's coverage</li> <li>• Remove spouse from any and/or all coverage now provided through their employment</li> </ul>   | <ul style="list-style-type: none"> <li>• Evidence of new coverage under spouse</li> <li>• Spouse's evidence of new coverage</li> </ul>   |
| <p>Employment termination (i.e. spouse ends employment or loses coverage)</p>   | <ul style="list-style-type: none"> <li>• Elect any and/or all coverages previously provided to member and eligible dependents by spouse's coverage</li> <li>• Elect or increase medical or dependent care if spouse had coverage</li> </ul>  | <ul style="list-style-type: none"> <li>• Evidence of previous coverage under spouse (i.e. letter from employer or letter of credible coverage)</li> </ul>  |
| <p>Initiation of leave without pay status (partial or total)</p>  | <ul style="list-style-type: none"> <li>• Decline or reduce coverage tier of current medical, dental and/or vision coverage</li> <li>• Decline or decrease supplemental life</li> <li>• Decline or decrease dependent life</li> <li>• Decline dependent care</li> </ul>   | <p><b>Note:</b> Declining supplemental life and/or dependent life will void waiver of premium eligibility</p>  |

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|---|---|--|
| Return to work after approved leave, if coverage was modified at initiation of leave  | <ul style="list-style-type: none"> <li>Elect previous level of medical, dental and/or vision coverage</li> <li>If supplemental life was declined, may only re-elect \$20K</li> <li>If supplemental life was decreased, no increase permitted</li> </ul>   | <b>Note:</b> Premiums must be current or may not re-elect any coverage until next open enrollment period                                     |
| <b>CHANGE IN DEPENDENT ELIGIBILITY UNDER PLAN TERMS</b>   |   |  |
| Dependent reaches age 26  | <ul style="list-style-type: none"> <li>Remove dependent who is no longer eligible (mandatory)</li> <li>Decline dependent life if no remaining eligible dependents</li> </ul>  | <b>Note:</b> Does not apply to disabled dependents   |
| <b>CHANGE IN RESIDENCE</b>  |   |  |
| Change in place of residence effecting coverage availability  | <ul style="list-style-type: none"> <li>If enrolled in DHMO dental plan, may move to PPO dental plan if moving out of Arizona</li> </ul>   | <b>Note:</b> Not applicable to medical and vision coverage since plans are nationwide unless situation involves moving in or out of country. |
| Change in country of residence effecting coverage availability  | <ul style="list-style-type: none"> <li>Elect or decline coverage for eligible spouse/dependent(s) to medical, dental, and/or vision in which member is enrolled</li> </ul>  | <ul style="list-style-type: none"> <li>Evidence of arrival/departure</li> </ul>  |
| <b>CHANGE IN SPOUSE, EX-SPOUSE OR DEPENDENT'S COVERAGE</b>  |   |  |
| <p>Loss of coverage that was provided by ex-spouse (COBRA)</p> <p>Loss of eligible dependent's coverage through ex-spouse or their employer</p> | <ul style="list-style-type: none"> <li>Elect any and/or all coverages previously provided to member and eligible dependents by other coverage</li> <li>Add dependent that lost coverage under ex-spouse's plan or their own plan to medical, dental and/or vision coverage in which member is enrolled</li> <li>Decline any and/or all coverages now provided to member by spouse's coverage</li> </ul> | <ul style="list-style-type: none"> <li>Evidence of previous coverage</li> </ul>  |
| Gain of coverage  | <ul style="list-style-type: none"> <li>Decline any and/or all coverages now provided to member by spouse's coverage</li> </ul>  | <ul style="list-style-type: none"> <li>Evidence of new coverage</li> <li>Spouse's evidence of new coverage</li> </ul>                        |
| <b>CHANGE IN COST OF BENEFITS FOR PLAN OR GROUP</b>   |   |  |
| Rate changes outside of Open Enrollment   | <ul style="list-style-type: none"> <li>Elect or decline coverage</li> </ul>   | <ul style="list-style-type: none"> <li>ADOA required to notify members</li> </ul>  |

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|--|---|--|
| <b>SIGNIFICANT CHANGE TO BENEFITS COVERAGE</b>                             |   |  |
| <p><b>Significant changes to coverage outside of Open Enrollment</b></p>   | <ul style="list-style-type: none"> <li>• Elect or decline coverage</li> </ul>   | <ul style="list-style-type: none"> <li>• ADOA required to notify members</li> </ul>                          |
| <b>ENTITLEMENT AND/OR CANCELLATION OF MEDICARE OR MEDICAID COVERAGE</b>    |   |  |
| <p><b>Cancellation of coverage under Medicare or Medicaid (AHCCCS)</b></p> | <ul style="list-style-type: none"> <li>• If member loses Medicare/Medicaid coverage, member may elect any and/or all coverages previously provided under Medicare or Medicaid</li> <li>• If spouse or eligible dependent loses Medicare/Medicaid, they may add coverages previously provided in which member is already enrolled</li> </ul> | <ul style="list-style-type: none"> <li>• Evidence of previous coverage Medicare/Medicaid coverage</li> </ul> |
| <p><b>Entitlement to Medicare, Medicaid</b></p>                            | <ul style="list-style-type: none"> <li>• Decline coverage or remove dependent now covered by Medicare/Medicaid</li> </ul>   | <ul style="list-style-type: none"> <li>• Medicare/Medicaid enrollment verification</li> </ul>                |