



## Flexible Spending Accounts

The healthcare flexible spending account (FSA) and the dependent care flexible spending account (DCFSA) are governed by the IRS. Penn State must follow the IRS qualifying events below to process change requests to your flexible spending accounts. IRS qualifying events may be subject to change based off Federal changes. PSU will follow the IRS guidelines on events regardless of our FSA administrator.

Not sure what may be an IRS guideline that allows a change? Below is a chart outlining IRS qualifying events and how the event may impact your eligibility to change your FSA contributions. If you have experienced an IRS event within the last 31 days, you may submit the “change flexible spending account” benefit event in Workday.

Please keep in mind that there are IRS maximums you can contribute for the plan year. Specific information on maximums, eligibility, and other information may be found here: <https://hr.psu.edu/current-employee/benefits/fsa>

<b>Qualifying event changes permitted by the IRS</b>								
	Health Care FSA				Dependent Care FSA			
<b>Legal marital Status change - marriage</b>								
	Enroll	Increase	Cease	Decrease	Enroll	Increase	Cease	Decrease
Add Dependents	Yes	Yes	No	No	Yes	Yes	No	No
a) But if the newly enrolled dependent is already eligible under their own employer’s health care FSA and already participates in that FSA	No	No	Yes	Yes	No	No	Yes	Yes
b) Coverage for your newly enrolled dependent becomes effective or is increased under other employer’s plan								
Enrolled member’s new spouse is not employed or makes a dependent care coverage election through their employer	—	—	—	—	No	No	Yes	Yes
<b>Legal marital status change – divorce, legal separation, annulment, death</b>								
Enrolled member’s former spouse loses eligibility	No	No	No	Yes	—	—	—	—
Enrolled member loses coverage under former spouse’s healthcare FSA	Yes	Yes	No	No	—	—	—	—

	Health Care FSA				Dependent Care FSA			
<b>Change in number of dependents</b>								
	Enroll	Increase	Cease	Decrease	Enroll	Increase	Cease	Decrease
Enrolled member is newly responsible for daycare for a eligible dependent (due to divorce)	—	—	—	—	Yes	Yes	No	No
Enrolled member is no longer responsible for daycare for eligible dependent as dependent resides with ex-spouse	—	—	—	—	No	No	Yes	Yes
Enrolled member gains a dependent due to birth, adoption, eligible dependent moves in	Yes	Yes	No	No	Yes	Yes	No	No
Enrolled member loses a dependent or dependent loses eligibility (result of death, or when an individual is no longer financially supported by member, or no longer satisfies the age requirement)	No	No	Yes	Yes	No	No	Yes	Yes
<b>Change of place in residence (enrolled member, spouse, and/or dependent)</b>								
	Enroll	Increase	Cease	Decrease	Enroll	Increase	Cease	Decrease
....results in a decrease in enrolled member's dependent day care cost	—	—	—	—	No	No	No	Yes
....results in an increase in enrolled member's dependent day care cost	—	—	—	—	No	Yes	No	No
....results in a loss of coverage for enrolled member's dependent	—	—	—	—	No	No	Yes	No
....results in a gain of coverage enrolled member's dependent.	—	—	—	—	Yes	No	No	No

	Health Care FSA				Dependent Care FSA			
Change in employment								
	Enroll	Increase	Cease	Decrease	Enroll	Increase	Cease	Decrease
Enrolled member's spouse terminates employment	Yes	No	No	Yes	No	No	Yes	No
Enrolled member, spouse, or dependent begins employment that causes them to gain eligibility under their employer's plan and the spouse or dependent then gains eligibility with their own employer and enrolls in their own health care FSA	No	No	Yes	Yes	—	—	—	—
Enrolled member's spouse changes employment and no longer has a DCFSA account with former or new employer	—	—	—	—	Yes	Yes	No	No
Enrolled member's spouse returns to work and dependent is now eligible for participation in the DCFSA (spouse previously did not work)	—	—	—	—	Yes	Yes	No	No
Enrolled member's spouse returns to work and spouse enrolls in a DCFSA	—	—	—	—	No	No	Yes	Yes
Enrolled member begins an unpaid leave of absence	No	No	Yes	Yes	No	No	Yes	Yes
Enrolled member returns from an unpaid leave of absence	Yes	Yes	No	No	Yes	Yes	No	No
Enrolled member's spouse being an unpaid leave of absence and spouse or dependent loses eligibility for participation in spouse's healthcare FSA and ineligible to participate in DCFSA	Yes	Yes	No	No	No	No	Yes	No
Enrolled member's spouse returns from an unpaid leave of absence that triggers a gain in eligibility under their plan and spouse enrolls in their employer's healthcare FSA and is now eligible to participate in DCFSA	No	No	Yes	Yes	Yes	Yes	No	No

	Health Care FSA				Dependent Care FSA			
Daycare coverage changes								
	Enroll	Increase	Cease	Decrease	Enroll	Increase	Cease	Decrease
Enrolled member has a dependent newly enrolled in day care	—	—	—	—	Yes	Yes	No	No
Enrolled member's day care provider significantly reduces its available hours or goes out of business and participant switches dependent day care providers and make a new election	—	—	—	—	Yes	No	Yes	No
The cost charged by day care provider increases (either current provider or enrolled member switches day care providers resulting in a cost increase) *	—	—	—	—	No	Yes	No	No
The cost charged by day care provider decreases (either current provider or enrolled member switches day care providers resulting in a cost increase) *	—	—	—	—	No	No	No	Yes
Certain judgement, decrees, or court orders								
Enrolled member must provide health coverage for child/foster child	Yes	Yes	No	No	—	—	—	—
Enrolled member's spouse, ex-spouse, or other individual must provide health coverage for enrolled member's child/foster child	No	No	Yes	Yes	—	—	—	—
Eligibility for Medicare and Medicaid (enrolled member, spouse, and/or dependent)								
Becomes entitled to and enroll in Medicare or Medicaid (other than coverage solely for pediatric vaccines)	No	No	Yes	Yes	—	—	—	—
Loses eligibility for Medicare or Medicaid	Yes	Yes	No	No	—	—	—	—

\*Note: If the participant's day care provider is related by blood or marriage, the participant CANNOT change election amount solely to increase or decrease amount being paid to the relative.

Healthcare FSA IRS information, including what you may use funds on, may be found here: <https://www.irs.gov/forms-pubs/about-publication-502>

Dependent care FSA IRS information, including what you may use funds on, may be found here: <https://www.irs.gov/forms-pubs/about-publication-503>