



## 125 Cafeteria Plan Change Form

Complete, Sign and Send form to:

JEM Resource Partners      Fax: 888-989-9247  
 900 S Capital of Texas Hwy, Suite 350  
 Austin, TX 78746

This and other important forms  
 are available at:  
[www.jemtpa.com](http://www.jemtpa.com)

Employer Name \_\_\_\_\_

Employee Name \_\_\_\_\_ SS # \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**Reason for Change:**

- |                          |                            |                        |
|--------------------------|----------------------------|------------------------|
| Spouse Employment Change | Birth or Adoption of Child | Divorce                |
| Marriage                 | Termination of Employment  | Death of Dependent     |
| Disability               | Retirement                 | Leave of Absence (LOA) |
| Return from LOA          | Death of Participant       | Other _____            |

**Date of Change** \_\_\_\_\_

**Effect of Change on Payroll Deductions / Annual Election:**

Type of Deduction:	Current Deduction	New Deduction	Payroll Date Change is Effective
Group Medical			
Dental			
Vision			
Medical/Dental Flexible Spending Account (FSA)			
Dependent Care FSA			
Other			

**Agreement:**

1. If I am changing my Medical/Dental Flexible Spending Account deduction, I will have a new annual election amount and this entire amount will be eligible for my use for covered expenses at any time during the year. If I terminate employment no expenses incurred after my termination will be covered. My employer has agreed to this change.
2. I have reviewed the list of eligible changes on the back of this form and believe that I qualify for a change in my election amount, as indicated above.

\_\_\_\_\_  
**Employee Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Employer Signature**

\_\_\_\_\_  
**Date**

## Changes in 125 Plan Elections

When you become a participant in a 125 cafeteria plan, the Internal Revenue Code requires that your annual elections stay the same during the Plan Year. Neither the amount of your deductions nor the items you have elected to cover under the Plan may change. However, there are some exceptions that the Internal Revenue Service recognizes as allowable changes. Your employer controls what changes are allowed in the Plan Document and by approving each change.

### **FAMILY STATUS CHANGES – Allowable Reasons for a Change**

- 1) Marriage
- 2) Divorce
- 3) Death of Spouse or Dependent
- 4) Birth or Adoption of a child of the employee
- 5) Termination of spouse's employment
- 6) Commencement of spouse's employment
- 7) The employee's or spouse's change from part-time to full-time status or vice versa.
- 8) The employee or spouse taking an unpaid leave of absence
- 9) A significant Change in the employee's or spouse's health coverage attributable to the spouse's employment.

### **EMPLOYMENT STATUS CHANGES – Allowable Reasons for a Change**

- 1) Termination of Employment
- 2) Lay off
- 3) Unpaid Leave of Absence or Return from an unpaid Leave of Absence
- 4) Disability
- 5) Retirement
- 6) Death

A change in Insured Benefits may also be permitted under IRS regulations for changes in the cost of premiums for a health plan when an independent, third-party provider makes such change. A participant may not revoke a health premium election unless a new election is made for coverage under another health plan that provides similar coverage.

A change in election must be related to the reason for the change. For instance, a participant can add Dependent Care Assistance because of the birth of a child. An election for Orthodontia coverage because of a divorce does not constitute an allowable change because they are unrelated.

### **ELECTION CHANGES TO THE MEDICAL /DENTAL FLEXIBLE SPENDING ACCOUNTS**

Additional parameters apply to changes in this fund due to the Uniform Coverage Ruling.

Increases in election amounts for medical expense reimbursement are permitted during a Plan Year when there is a change in family status.

Decreases in election amounts for medical expenses reimbursement are permitted during a Plan Year only when the decrease is due to a participant's divorce or the death of a spouse or dependent.