

Type: General Correspondence	ID Number: GC 306
Date: Sept. 15, 2020	Subject: Qualifying Status Change (QSC) Events and 2021 Open Enrollment

Suggested Audience:

Human resource offices and benefits administration staff

Details:

Each year, some employees are hired or otherwise experience a Qualifying Status Change (QSC) event after the Open Enrollment (OE) snapshot has been taken. As a result, the Open Enrollment period for these employees works a little differently. Employees who are processing any QSC event, including new hire, after the OE snapshot has been taken but effective prior to Jan. 1 of the following plan year must process both the QSC event and the Open Enrollment event. **The QSC event must be processed before the OE event.** If the QSC event is processed after the OE period has ended, the employee should call the People First Service Center to validate that their elections for the next plan year are correct.

What is the Open Enrollment snapshot? The Open Enrollment snapshot is a point in time that is used to identify who will be mailed a benefits statement for the upcoming Open Enrollment period. The snapshot is taken 17 days prior to the start of the OE period. This year Open Enrollment begins on Monday, Oct. 19, the snapshot will be taken on Friday, Oct. 2 as of 6 p.m. Eastern Standard Time.

How are employees impacted if they are hired after the snapshot is taken? Only eligible employees who were active in People First when the snapshot was taken will receive an Open Enrollment benefits statement in the mail. Election options for new hires are described below:

- Employees hired (entered) into People First after the OE snapshot is taken but before OE begins who also have an effective date before the last day of OE can make OE elections online in People First. These employees will have both an OE event and a new hire QSC event. Employees must process the QSC event **first**. All OE elections, even for new employees, should be processed online before OE ends.
- Employees hired (entered) into People First after OE has ended, regardless of their effective dates, can only make QSC elections online. Employees must call the People First Service Center to make any changes for the next plan year (for example, selecting a different amount for a Flexible Spending Account election).

After the OE snapshot is taken, what QSC elections processed do not automatically carry over to the next plan year? New enrollees in a Flexible Spending Account, Limited Purpose Flexible Spending Account, Dependent Care Account, or Health Savings Account must make their elections for the next plan year during Open Enrollment if they are enrolled after the OE snapshot is taken. If the QSC is processed with an effective date after OE has ended, but prior to Jan. 1, the employee must call the People First Service Center to have his or her election for the next plan year processed.



People First

The following chart shows how to handle QSC events in conjunction with Open Enrollment.

When is QSC Processed?	Effective Date of QSC Changes is Nov. 1 or Dec. 1	Effective Date of QSC Changes is Jan. 1, 2021 or After	OE Action Required?
Before Open Enrollment (OE) Prep is processed (10/02/2020)	All election changes made through the QSC event are valid until changed through a future QSC or OE event. If the employee makes no changes during OE, the QSC elections will continue. If the employee makes changes during OE, the QSC changes will be effective through 12/31/2020 and the OE changes will be effective 01/01/2021.	N/A	<p>Yes/No. If the QSC changes were processed on or before 10/02/2020 and are the employee's desired elections for the new plan year, then the employee does not need to take action during OE. However, if the employee wishes to have different elections effective 01/01/2021, including changing plan choices, FSA and HSA contribution amounts, covered dependents, etc., the employee must complete the OE event.</p> <p>Important Notes:</p> <ol style="list-style-type: none"> 1. If processing changes through both QSC and OE, then the OE elections MUST be processed after the QSC changes. 2. If FSA or HSA enrollment was completed through a QSC event, then the amount would need to be updated to the desired annual amount through the Open Enrollment event.

When is QSC Processed?	Effective Date of QSC Changes is Nov. 1 or Dec. 1	Effective Date of QSC Changes is Jan. 1, 2021 or After	OE Action Required?
After OE Prep is processed (10/02/2020), but before OE Starts (10/19/2020)	All plan changes except for FSA and HSA plans are automatically carried to the next year if no action is taken during OE.	N/A	<p>Yes, if enrolling in an FSA or HSA, these elections must be processed using the Open Enrollment event or the elections will end 12/31/2020.</p> <p>Important Notes:</p> <ol style="list-style-type: none"> 1. If processing changes through both QSC and OE, then OE Elections MUST be processed after the QSC changes. 2. FSA and HSA elections processed through a QSC after 10/01/2020 are not carried into the next plan year. For these elections to continue the employee must make an election using the Open Enrollment event.
During OE/OE Correction Period and post OE	All plan changes except for FSA and HSA plans are automatically carried to the next year if no action is taken during Open Enrollment. However, if Open Enrollment changes were processed, the QSC changes effective 11/01/2020 or 12/01/2020, will only be effective through 12/31/2020. If the QSC changes (e.g., new dependent, coverage level change, etc.) are to be effective 01/01/2021 and forward, the employee must either process the changes in People First or call the People First Service Center to complete the OE changes.	<p>If QSC changes are effective 01/01/2021, then last event (QSC or OE) processed wins.</p> <p>If QSC changes are effective 02/01/2021 or after, then OE elections are effective from 01/01/2021 and QSC changes are effective based on the QSC effective date.</p>	<p>Yes. If the QSC changes are effective before 01/01/2021, and the employee has Open Enrollment changes, for the same plan types, which are effective 01/01/2021, then a subsequent OE action is required.</p> <ul style="list-style-type: none"> • Example 1: An employee makes an Open Enrollment change to their health insurance, which is effective 01/01/2021, then subsequently makes a QSC change to health insurance effective 11/01/2020 (or 12/01/2020). In this scenario, the QSC changes will only be effective through 12/31/2020, and the Open

When is QSC Processed?	Effective Date of QSC Changes is Nov. 1 or Dec. 1	Effective Date of QSC Changes is Jan. 1, 2021 or After	OE Action Required?
			<p>Enrollment changes will remain effective 01/01/2021, unless the employee re-processes the Open Enrollment event, making the same changes that were made through the QSC event. In this case, if the QSC changes were made after Open Enrollment is over, then for the QSC changes to override the OE changes, the employee must call the service center to have the 01/01/2021 elections updated.</p> <ul style="list-style-type: none"> • Example 2: An employee makes their Open Enrollment elections but does not make any changes to their health insurance elections (current coverage for health insurance remains the same). The employee subsequently makes a QSC change to health insurance effective 11/01/2020 (or 12/01/2020). In this scenario, no further action is needed for the health insurance coverage and the change effective 11/01/2020 remains intact going forward. • Example 3: An employee makes no Open Enrollment changes (current coverage remains the same). The employee subsequently makes a QSC change to health insurance



People First

When is QSC Processed?	Effective Date of QSC Changes is Nov. 1 or Dec. 1	Effective Date of QSC Changes is Jan. 1, 2021 or After	OE Action Required?
			<p>effective 11/01/2020 (or 12/01/2020). In this scenario, no further action is needed for the health insurance coverage and the change effective 11/01/2020 remains intact going forward.</p> <p>Important Notes:</p> <ol style="list-style-type: none"> 1. If processing benefits changes through both QSC and OE, then OE Elections MUST be processed after the QSC changes. 2. If the OE event is process first, then the QSC event (effective 11/01/2020 or 12/01/2020), then the QSC elections will ONLY be effective through 12/31/2020. To ensure the correct coverage for 01/01/2021, the OE elections, factoring in any changes through the QSC (e.g., adding or removing of a dependent) must be processed after the QSC is completed. 3. FSA and HSA elections processed through a QSC after 10/02/2020 are not carried into the next plan year. For these elections to continue the employee must make an election through Open Enrollment.