

May 19, 2011

MEMORANDUM NO: 036-11HR

TO: Agency Administrators

FROM: Bobbie Chappell

VIA: Rip Colvin, Executive Director

RE: Reduction in Salary is not a Qualifying Event - Revised

The Department of Management Services Management Advisory 11-012 has been REVISED. Please see the information below or you may visit the Division of State Group Insurance Management Advisories website by clicking on the following link: [2011 Management Advisories](#).

The Qualifying Status Change (QSC) event related to significant cost increase is specific to the insurance premium rate itself. For example, moving from Career Service to Selected Exempt Service (SES) or full-time to part-time employment affects the actual premium rate the employee pays and is a QSC event to make allowable health insurance changes.

A change in salary without a corresponding employment status change that impacts insurance premiums is not a QSC event. For example, a Career Service employee who moves to another, lower paying Career Service position may not make changes to pretax benefits.

Additionally, a reduction in take-home pay does not qualify. Recent legislation, if signed by the governor, will require employees to pay 3 percent of their salary toward their retirement. Although this is a reduction in employee take-home pay, insurance premiums are not affected. Consequently, per IRS guidelines, this is not a QSC event that allows employees to make changes to health insurance or other pre-tax insurance products.

Employees may make changes to their coverage if they experience an appropriate life or work QSC event or during open enrollment—September 26 through October 21, 2011.

As a reminder, the Employee Assistance Program (EAP) offers financial counseling services to State of Florida employees (including OPS) and members of their household. Employees eligible for this benefit may access the EAP website through [People First](#). Log in and the link is in the upper right-hand corner.

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