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MANAGEMENT ADVISORY #11-012

DATE: May 18, 2011
TO: Agency and University Personnel Officers and Benefit Coordinators
FROM: Suzetta Furlong, Manager
SUBJECT: Reduction in Salary and Change in Take-home Pay Are Not Qualifying Events

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 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 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.