



Gallagher

Compliance Checklist: Employee Marriage



This checklist helps employers understand their obligations and opportunities when an employee notifies them of their new marriage. Questions often arise on possible election changes, beneficiary rights and organizational policies. This checklist captures common compliance issues and offers helpful suggestions to avoid complications down the road.

Formal and informal marriage

A formal marriage is one in which there is a marriage certificate filed in the state of matrimony. An informal (common law) marriage is a marriage that is formed through the satisfaction of specific state requirements, such as living together for a set number of years and calling each other husband and wife. All 50 states, the US territories, and the federal government treat a legally formed formal or informal marriage as a marriage under that jurisdiction's laws, regardless of the sex of the spouses.

Plan coverage for the spouse

Group health plans must offer a HIPAA special enrollment event to an employee's new spouse to enroll in the plan, assuming the spouse is eligible. Cafeteria plan midyear election rules permit the election to be on a pre-tax basis if the employer sponsors a cafeteria plan that includes language permitting the election pre-tax and the election is effective prospectively.

Plan coverage for children from the marriage

HIPAA special enrollment rights require group health plans to offer an enrollment opportunity to any new children gained from the marriage. If the employer sponsors a cafeteria plan, those elections can be pre-tax if the plan permits midyear elections upon gaining an eligible dependent. The employee's pre-existing children may also be added if the cafeteria plan permits pre-existing children to tag along with the newly gained dependents.

Plan coverage in dental, vision, etc.

Most fully insured dental, vision, and other welfare benefits include an election to permit the employee to add the spouse to the plan. The benefits for which the employee pays a pre-tax salary contribution must follow cafeteria plan procedures, such as making the election to add the spouse and new dependents prospective after the election request.

Life insurance elections

A newly married employee may also want to purchase spousal or dependent life insurance or increase the amount of life insurance on their own life. Life insurance policies typically permit midyear increases, though an increase may require evidence of insurability standards to be met. Employers sponsoring spousal or dependent life should communicate any enrollment opportunities into those plans as well.

Employee incentives for spousal wellness

If the spouse will be incentivized to provide health information to the plan, such as through a health risk assessment or biometric screening, the employer must provide a disclosure to the spouse and have him or her acknowledge the disclosure in writing before accepting the health information.

Spouses as employees

When spouses work for the same employer, it impacts benefits administration. For example, many employers require the employees to enroll separately or may require them to enroll as a family. Additionally, when two spouses work for the same employer, FMLA rights associated with the bonding after the birth of their new child and to care for their own parent with a serious health condition change. In both circumstances, the spouses share or split those 12 weeks of leave.

Name changes

An employee who has changed their surname after a marriage should change their surname in all employment-related files, including benefit ID cards, retirement plan records, email accounts, ID tags, and more.

401(K) beneficiary update

The employee should review the prior beneficiary designation forms signed before the marriage. Once the employee is married, the spouse must agree in writing if the employee chooses to designate a primary beneficiary that is not the spouse.

Pension plan beneficiary update

When a participant is married, the spouse must consent to the employee's designation of a primary beneficiary that is not the spouse. Spouses must also consent to the participant's selection of an annuity option other than the qualified joint and survivor annuity (QJSA).