§ 418.1205 What is a major life-changing event?

For the purposes of this subpart, we will consider the following to be major life-changing events:

(a) Your spouse dies;
(b) You marry;
(c) Your marriage ends through divorce or annulment;
(d) You or your spouse stop working or reduce the hours you work;
(e) You or your spouse experiences a loss of income-producing property, provided the loss is not at the direction of you or your spouse (e.g., due to the sale or transfer of the property) and is not a result of the ordinary risk of investment. Examples of the type of property loss include, but are not limited to: Loss of real property within a Presidentially or Gubernatorially-declared disaster area, destruction of livestock or crops by natural disaster or disease, loss from real property due to arson, or loss of investment property as a result of fraud or theft due to a criminal act by a third party;
(f) You or your spouse experiences a scheduled cessation, termination, or reorganization of an employer’s pension plan;
(g) You or your spouse receives a settlement from an employer or former employer because of the employer’s closure, bankruptcy, or reorganization.


§ 418.1210 What is not a major life-changing event?

We will not consider events other than those described in §418.1205 to be major life-changing events. Certain types of events are not considered major life-changing events for the purposes of this subpart, such as:

(a) Events that affect your expenses, but not your income; or
(b) Events that result in the loss of dividend income because of the ordinary risk of investment.


§ 418.1215 What is a significant reduction in your income?

For purposes of this subpart, we will consider a reduction in your income to be significant if your modified adjusted gross income decreases; and

(a) The decrease reduces the percentage of the income-related monthly adjustment amount you must pay according to the Table of Applicable Percentages in §418.1120; or
(b) The decrease reduces your modified adjusted gross income to an amount below the threshold described in §418.1105 and eliminates any income-related monthly adjustment amount you must pay.

§ 418.1220 What is not a significant reduction in your income?

For purposes of this subpart, we will not consider a reduction in your income to be significant unless the reduction affects the amount of income-related monthly adjustment you must pay.

§ 418.1225 Which more recent tax year will we use?

We will consider evidence of your modified adjusted gross income that you provide for a tax year that is more recent than the year described in §418.1135 (a) or (b) when you meet all of the requirements described in §418.1201.