

COBRA

COVID-19-Related Relief

Deadline Extensions: [Disaster Relief Notice 2021-01](#) provides participants with additional time to comply with deadlines to elect and pay for COBRA coverage, as well as to notify the plan of a qualifying event. **The chart below illustrates the otherwise applicable general rules for COBRA notices.**

COBRA Subsidies: The [American Rescue Plan Act](#) requires the full cost of COBRA premiums from **April 1, 2021 through Sept. 30, 2021** to be subsidized for eligible employees (and their family members) who lost or lose group health insurance due to involuntary job loss or reduction in work hours. The subsidy is funded through a tax credit to employers whose plans are subject to federal COBRA or are self-insured, to the plan for multiemployer plans, and to the insurer for other plans. Plan administrators must inform eligible individuals of the availability of COBRA premium assistance and provide notice of its expiration. [Click here](#) for more on these requirements.

What is COBRA?	The Consolidated Omnibus Budget Reconciliation Act (COBRA) is a federal law that requires certain employers to offer employees, their spouses, and their dependents a temporary period of continued health care coverage if they lose coverage under an employer's group health plan.
Which employers must offer COBRA?	<ul style="list-style-type: none">• Employers with 20 or more employees that sponsor group health plans• Employers with fewer than 20 employees that sponsor group plans in states with state "mini-COBRA" laws <p>Certain employee counting rules apply. Click here for more information.</p>
Who is eligible for COBRA?	Employees, their spouses, and their dependents, if they are covered under the plan and experience a COBRA-qualifying event .
How long does COBRA coverage last?	COBRA coverage generally lasts 18-36 months , depending on the COBRA-qualifying event. Longer coverage periods may apply under state mini-COBRA laws. Click here for more information.
Who administers COBRA?	Employers are legally responsible for COBRA administration. However, many employers choose to

	<p>contract administration out to a third-party administrator (TPA).</p>
<p>Are employers required to provide COBRA-related notices?</p>	<p>Yes. The COBRA rights provided under a group health plan must be described in the plan's Summary Plan Description (SPD) and Summary of Benefits and Coverage (SBC). In addition, the employer and/or plan administrator must provide the following notices at certain times:</p> <ul style="list-style-type: none">• <u>General Notice of COBRA Rights</u>. Employers must provide this notice to covered employees and their spouses within the first 90 days of coverage.• Notice of Qualifying Event. Employers must provide this notice to the plan administrator within 30 days of the covered employee's death, termination of employment (other than for gross misconduct in most states), reduction in hours, or entitlement to Medicare. Model notice unavailable.• <u>COBRA Election Notice</u>. Plan administrator generally must provide this notice to qualified beneficiaries within 14 days after receiving notice of a qualifying event.• <u>Notice of Unavailability of COBRA Coverage</u>. Plan administrator generally must provide this notice to individuals determined to be ineligible for COBRA within 14 days after receiving notice of a qualifying event.• Notice of Underpayment of COBRA Premium. Plan administrator must provide this notice to qualified beneficiaries who underpay their COBRA premium. Model notice unavailable.• <u>Notice of Early Termination of COBRA Coverage</u>. Plan administrator generally must provide this notice to qualified beneficiaries whose COBRA coverage will terminate earlier than the end date of the maximum period of coverage. This notice should be provided as soon as practicable following the plan administrator's determination that COBRA coverage will terminate.

Who pays for COBRA coverage?	In general, the qualified beneficiary. Click here for more information.
Do states have their own COBRA coverage laws?	Yes. Click here for more information.