



## APRIL 2021: DOL RELEASES COBRA SUBSIDY FORMS

**Assistance Eligible Individuals (AEIs)** are individuals who experienced a loss of coverage (due to involuntary termination or reduction in hours) at some time from **November 1, 2019 through April 1, 2021** and:

- Are currently enrolled in COBRA;
- Chose not to elect COBRA and have not reached the maximum period for COBRA;
- Elected COBRA and then discontinued coverage and have not reached the maximum period for COBRA;

Should receive a COBRA Continuation Coverage Notice in Connection with Extended Election Period.

**Employers are required to begin notifying any AEIs within 60 days from April 1, 2021.**

- AEIs must be offered an additional window of 60 days from the date of the notice to elect COBRA coverage. Those who elect during this window will be electing prospectively. They will not be required to pay premiums retroactive to the date of their original loss of coverage.
- This does not extend the maximum COBRA period. It will be measured from the date of the original qualifying event.
- Employers who offer multiple plans can also choose to give AEIs an opportunity to elect to enroll in a different group health plan than the one they had originally elected. The premium for the new coverage must not exceed the premium for the originally elected coverage.
- AEIs have 60 days from the date of the COBRA Continuation Notice to elect COBRA, and 90 days from the date of this Notice to elect a different group health plan if you are allowing that change.
- AEIs who are not currently covered by your group health insurance or are being given an opportunity to change their medical plans must also receive benefit plan materials describing your plan(s).
- Additionally, AEIs must receive the Summary of the COBRA Premium Assistance Provisions Notice (which includes the Request for Treatment as an Assistance Eligible Individual) **within 60 days from April 1, 2021**.
- Individuals who are eligible for other group health plan coverage or Medicare are not eligible for the subsidy.
- AEIs must also receive the New Periods to Make Elections for Benefits or Coverage Notice.

**Assistance Eligible Individuals (AEIs)** who experience a loss of coverage (due to involuntary termination or reduction in hours) **on or after April 1, 2021 through September 30, 2021** should receive the following notices:

- General Notice and COBRA Continuation Coverage Election Notice – Employers who offer multiple plans can also choose to give AEIs an opportunity to elect to enroll in a different group health plan than the one they had originally elected. The premium for the new coverage must not exceed the premium for the originally elected coverage. Page 3 of this form includes a paragraph that should only be used if you are choosing to give that opportunity to your AEIs. Page 10 of this notice is a Form for Switching COBRA Continuation Coverage Benefits Options. This should only be included if you are allowing AEIs to change to a different group health plan.
- Summary of the COBRA Premium Assistance Provisions Notice (which includes the Request for Treatment as an Assistance Eligible Individual)
- New Periods to Make Elections for Benefits or Coverage Notice

ALL AEIs must receive a Notice of the Expiration of COBRA Premium Assistance **between 45 to 15 days before the date of expiration**. Among other things, this notice will advise AEIs that they may still be eligible for COBRA coverage without any premium assistance. In summary:

- The COBRA subsidy covers 100% of insurance premiums for Assistance Eligible Individuals (AEIs), and their covered relatives, who lost their group health coverage due to involuntary termination or reduction in hours of employment for reasons other than gross misconduct.
- This subsidy went into effect April 1, 2021 and will last until September 30, 2021 (earlier if the AEI's maximum COBRA period ends before September 30, 2021).
- The subsidy will apply to all group medical plan coverage, group dental coverage, group vision coverage and group employee assistance programs. It will NOT apply to flexible spending accounts.
- If you have 20 or more employees, you will pay the COBRA premiums to the carrier(s) and then take an amount equal to the COBRA premium as a payroll tax credit for each calendar quarter during this premium assistance period using Form 941.