



HAYS COMPANIES

DOL Releases Model ARPA COBRA Notices & FAQs

The [Department of Labor \(DOL\) released](#) the required notices for the subsidized COBRA coverage under the American Rescue Plan Act of 2021. The DOL also released a set of FAQs that primarily focus on providing information to impacted employees. It is likely that plan sponsors will need to wait until we get further guidance from the IRS to answer many of the outstanding questions resulting from the legislation.

Please Note: The deadline to provide the *COBRA Continuation Coverage Notice in Connection with Extended Election Periods* to any Assistance Eligible Individual (or any individual who would be an Assistance Eligible Individual if a COBRA continuation coverage election were in effect) who had a qualifying event before April 1, 2021, is May 31, 2021.

SOME ADDITIONAL POINTS OF INTEREST FROM THE FAQs:

- A voluntary reduction in hours will qualify an individual for subsidized COBRA coverage.
- There will be a special enrollment event on the Marketplace for individuals that lose their COBRA subsidy on September 30, 2021.
- The FAQs confirm the COBRA subsidy is available to assistance eligible individuals who are receiving continuation coverage required under state mini-COBRA laws.
- The FAQs confirm that assistance eligible individuals who are eligible for group health plan coverage through a spouse are not eligible for the COBRA subsidy (although they do not provide any guidance regarding the timing of eligibility and how the extended HIPAA special enrollment period comes into play).
- The various time periods contained in the ARPA (e.g., for making an election during the second election period) are not extended during the Outbreak Period.
- Current COBRA participants must make an active election to receive subsidized coverage.
 - Automatic subsidization could have created problems for COBRA Qualified Beneficiaries that have access to other health coverage, which would invalidate their eligibility for subsidized coverage.



The Hays Research and Compliance team will continue to monitor this situation. If you have specific questions as to how this applies to your organization, please reach out to your local Hays representative.

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