

Extension of Certain Timeframes for Employee Benefit Plans, Participants, and Beneficiaries Affected by the COVID-19 Outbreak

COBRA Elections

The COBRA continuation coverage provisions generally provide a qualified beneficiary a period of at least 60 days to elect COBRA continuation coverage under a group health plan. **The DOL National Emergency guidelines extend this election time. If the qualifying event occurs during the National Emergency (March 1, 2020 - TBD), the deadline has now been extended to 60 days after the end of the National Emergency (not yet announced).**

COBRA Premium Payments

Generally, plans are required to allow payment of premiums in monthly installments, and plans cannot require payment of premiums before 45 days after the day of the initial COBRA election. COBRA continuation coverage may be terminated for failure to pay premiums on time. Under the COBRA rules, a premium is considered timely if it is made no later than 30 days after the first day of the period for which payment is being made. **Under the National Emergency, the COBRA participant now has until 60 days after the end of the National Emergency to pay missed premiums and not be cancelled.**

Qualifying Event or Disability Determination

Notice requirements prescribe 60 days for employers to notify the plan of certain qualifying events and for individuals to notify the plan of certain qualifying events or a determination of disability. **Under the National Emergency, the COBRA participant now has until 60 days after the end of the National Emergency to notify the employer of the qualifying event or of the disability determination.**

Source: <https://www.govinfo.gov/content/pkg/FR-2020-05-04/pdf/2020-09399.pdf>

Additional Guidance Related to the COVID-19 Outbreak Period Extensions

The guidance, Notice 2021-58, states that under the DOL's Emergency Relief Notices, up to one year must be disregarded in determining the due dates for individuals to elect COBRA continuation coverage and pay COBRA premiums during the Outbreak Period.

Notice 2021-58 clarifies that the disregarded period for an individual to elect COBRA continuation coverage and the disregarded period for the individual to make initial and subsequent COBRA premium payments generally run concurrently.

The Notice provides several examples of this rule, including the following:

- If an individual elected COBRA coverage within the initial 60-day COBRA election time frame, they will have one year and 45 days after the date of the election to make their initial COBRA premium payment.
- If an individual elected COBRA coverage outside of the initial 60-day COBRA election time frame, they generally will have one year and 105 days after the date the COBRA notice was provided to make the initial COBRA premium payment.

The Notice also provides limited transition relief for implementation of these rules and addresses the interaction of the Emergency Relief with the COBRA subsidy under the American Rescue Plan Act. For details about the subsidy, refer to our March 1, 2020 insight, “COBRA Subsidy Passes House.”

Source:

https://www.segalco.com/consulting-insights/cobra-guidance-related-to-the-covid-19-outbreak-period?utm_source=compliance&utm_medium=email&utm_campaign=COBRA-Guidance-Related-to-the-COVID-19-Outbreak-Period

Questions?

For questions regarding COBRA Elections or Qualifying Events/Disability Determination, please contact Rachel Wilson at rachel.wilson@iowa.gov or 515-281-8866.

For questions regarding COBRA Premium Payments, please contact Wellmark customer service at 800-622-0043 or Delta Dental Customer Service at 800-544-0718.