

# COBRA Cheat Sheet

## What Health Plans are Covered?

Those for employers that employ 20 or more employees

## What's Does COBRA Provide to Employees?

- Continued health care coverage to employees, former employees and/or qualified beneficiaries after the loss of previous coverage as a result of certain "qualifying events"
- Coverage continues at the same level provided before the qualifying event

## What Are Examples of "Qualifying Events"?

- Termination
- Reduction of hours
- Participant becomes disabled
- Death or divorce
- Dependent child loses dependent status

## How Long Does Coverage Generally Continue?

- 18 months in cases involving termination and/or a reduction in hours
- 29 months in certain cases involving disability
- 36 months in cases involving the death of a covered employee or divorce

## What Notice Requirements Are There?

- General notice describing COBRA rights must be provided to participants within 90 days after participation in a health care plan begins
- Employers generally must provide plan administrators with notice within 30 days of the occurrence of a qualifying event
- Plan administrator must provide participants with an election notice of COBRA rights within 14 days of a qualifying event (44 days if the plan administrator is also the employer)

## How Long Does a Participant Have to Elect Coverage?

60 days from the date of the qualifying event or the date the election notice is provided, whichever is later

## Can the Plan Require the Participant to Cover the Cost of Premiums?

Yes, including any portion of the premium generally by the employer on behalf of active employees

## When Can Coverage Be Cut Off?

- A participant fails to pay required premiums
- The employer discontinues the plan
- Under certain circumstances, where the participant obtains subsequent coverage

## What are the Potential Penalties for failing to comply?

- Monetary penalties

## Top COBRA Tips

- Ensure that all notices go out to employees and participants within the time required
- Notify all participants about any changes in health benefits