

COBRA Premium Assistance FAQs and Model Notices Issued

April 14, 2021

The DOL issued new model notices that may be used in connection with COBRA premium assistance requirements under the American Rescue Plan Act of 2021 (**ARPA**). These model notices include (i) an ARPA General Notice, (ii) a Notice in Connection with Extended Election Periods, (iii) an Alternative Notice, and (iv) a Notice of Expiration of Period of Premium Assistance. The DOL also issued a Summary of ARPA requirements, which the DOL states should be included with the ARPA General Notice, the Alternative Notice, and the Notice in Connection with Extended Election Periods. Use of the model notices is not required.

- The ARPA General Notice (or its equivalent) should be sent to each COBRA qualified beneficiary (**QB**) who experiences a COBRA qualifying event from April 1, 2021 through September 30, 2021. The FAQs issued in conjunction with the model notices state that the ARPA General Notice must be sent only to those QBs whose qualifying event was either an involuntary termination of employment or a reduction in employment hours (below the minimum necessary to retain plan coverage, such as 30 hours per week). However, the ARPA and DOL's announcement of the model notices each state that the ARPA General Notice should be provided for any COBRA qualifying event. Future guidance may clarify this discrepancy.
- The Notice in Connection with Extended Election Periods must be provided by May 31, 2021 to any Assistance Eligible Individual (or any individual who would be an Assistance Eligible Individual if a COBRA coverage election were in effect) who became entitled to elect COBRA coverage before April 1, 2021. For this purpose, an Assistance Eligible Individual is a qualified beneficiary whose qualifying event was a reduction in hours or an involuntary termination of employment before April 1, 2021 and who either (i) did not elect COBRA continuation coverage when it was first offered prior to that date or (ii) elected COBRA continuation coverage but is no longer enrolled, and whose maximum coverage period had not expired by April 1, 2021.
- The Alternative Notice may be used in connection with continuation coverage required under state law, as opposed to federal COBRA law.
- The Notice of Expiration of Period of Premium Assistance must be provided 15 to 45 days before the date COBRA premium assistance ends, either due to expiration of the premium assistance period on September 30, 2021 or the individual attaining the maximum permissible period of COBRA coverage.

Many open questions remain, such as whether individuals who are on, or entitled to, a disability extension of COBRA coverage are also eligible for premium assistance and/or should receive the Notice in Connection with Extended Election Periods. Future guidance may be issued to address the open issues. The model notices and FAQs are available [here](#).