

Important Information Regarding COBRA Deadline Extensions Due to COVID-19

The Department of Labor and Treasury (DOL) previously released guidelines regarding extended deadlines for COBRA elections, initial payments, and ongoing monthly payments due to the COVID-19 pandemic. That guidance was effective for deadlines beginning 3/1/2020 through 60 days after the National Emergency is over.

As of 2/28/2021, the DOL has advised that the maximum extension to a deadline that an individual can have is either one year or 60 days after the National Emergency is declared over, whichever is sooner. This may mean your delayed deadline has already come to an end or will soon come to an end.

Additionally, on 10/6/2021, the IRS released Notice 2021-58 which provides further clarifications the delayed deadlines for making elections and initial payments.

PLEASE NOTE: some of these deadlines may not apply if you are eligible for the subsidy granted via the American Rescue Plan Act (ARPA). See the additional FAQ for information on that benefit.

Below you will find frequently asked questions on potential scenarios you may encounter should you need to utilize this extension period. **Note: This is a high-level summary only and does not go into every relevant detail of the new law. It is for informational purposes only and does not constitute legal advice.**

Frequently Asked Questions

Q: I have not elected COBRA yet, but the extension says I have longer than my original 60 days to do so. Can I still elect?

A: Take a look at your COBRA Specific's Right Notice (SRN). If your last day to elect on that notice is after 3/1/2020, you qualify for the extended deadline. Add one year to the date on your notice, and that is your new deadline (unless the National Emergency is declared over, in which case you would add 60 days to the date on your notice).

If the date on your notice is prior to 3/1/2020, the date indicated on your notice still stands.

Q: I elected COBRA but have not yet made my initial premium payment. When do I have to make that payment by?

A: If your Last Postmark Date for initial payment fell on or after 3/1/2020, you have one year from that date to make your initial payment (unless the National Emergency is declared over, in which case you would have 60 days from that date).

Be advised your coverage will not be reinstated with the insurance carrier until you make your full initial payment. For example, if your first day of COBRA is 11/1/2020 and you make your payment on 4/16/2021, you must pay the total monthly premium for all 5 months prior to April (November – March) to satisfy your initial payment and be reinstated with your insurance carrier.

Q: How does IRS Notice 2021-58 impact the extensions to elect and make initial premium payment?

A: Per IRS Notice 2021-58, the extensions to elect and make an initial payment to reinstate coverage are to run concurrently after 11/1/2021. There are two rules that the Notice describes that provide guidance on how the concurrent deadline delay is to operate:

- If you elect COBRA with your normal 60-day election deadline window, then you will have 1 year plus 45 days after your date of election to make your initial premium.
- If you take advantage of the deadline extension first and elect outside of the normal 60-day election deadline window, then in order to reinstate coverage, you must make your initial premium payment by the date that is 1 year and 105 days after the date that your COBRA election notice was issued to you.

To provide transitional relief with this new guidance as per the IRS, if you make your initial premium by 11/1/2021, and that payment is also within 1 year and 45 days of your election date, then your initial premium will be accepted and your coverage will be reinstated under COBRA.

Q: As an example, if my original First Day of COBRA was 10/18/2020 and my Last Day to Elect was 12/17/2020, does that mean I can still elect now?

A: In this example, you have until 12/17/2021 to elect (unless the National Emergency is declared over, at which point you would your new deadline goes backwards to 2/17/2021).

Coverage will not be reinstated with the insurance carrier until your full initial payment is made. For example, if you elect on 4/15/2021 and your first day of COBRA is 10/18/2020, you will need to make payment for October 2020 through March 2021 for coverage to be reinstated.

Q: I stopped making my monthly payments. Can I still make them now?

A: Standard COBRA regulations allow you 30 days past the due date to make your full monthly payment. With the extended deadline, for any premium due date on/after 3/1/2020, you have 30 days plus one year (a total of 395 days) to make payment. If the National Emergency is declared over before then, you have 30 days plus 60 days (a total of 90 days) from the original due date to make payment.

For example, if your premium was due 6/1/2020, you normally would have had until 6/30/2020 to make payment, but now you have until 6/30/2021. Or, when the National Emergency is declared over, your new deadline goes backwards to 9/30/2020.

Please note, Benefit Strategies will continue to terminate coverage with your insurance carrier on the original deadline date. However, under the new guidance, if you make your June premium payment (in this example), Benefit Strategies will accept your payment and reinstate your coverage with the insurance carrier back to 6/1/2020.

If you are unable to pay your full monthly premium in one payment, we strongly encourage making small payments when you are able to (such as on a weekly basis). This will prevent large outstanding balances from building up.

Q: I had a qualifying event that impacts my COBRA coverage. When do I need to notify Benefit Strategies?

A: You should still notify Benefit Strategies as soon as possible of any qualifying events. If premiums need to be adjusted due to the qualifying event, specifically if they increase, you risk accumulating a very large balance.

Q: My disability extension was denied, and I would like to appeal it. Can I still submit an appeal?

A: Yes. Please keep in mind that if your coverage was already terminated and if an appeal is approved, all past due premiums will need to be brought current in order for coverage to be reinstated with the carrier.

Q: I've come to the end of my COBRA continuation period. Am I allowed to extend my COBRA coverage past my previously allowed number of months?

A: No. The guidance released does not allow you to extend your COBRA period past your previously allowed number of months. For example, if you were previously allowed 18 months, it will remain 18 months.

COBRA rules only allow an extension of your original COBRA coverage period if you have an applicable qualifying event or disability approval.