Fact Sheet

U.S. Department of Labor
Employee Benefits Security Administration

Consolidated Omnibus Budget Reconciliation Act (COBRA)

Throughout a career, workers will face multiple life events, job changes or even job losses. A law enacted in 1986 helps workers and their families keep their group health coverage during times of voluntary or involuntary job loss, reduction in the hours worked, transition between jobs and in certain other cases.

The law — the Consolidated Omnibus Budget Reconciliation Act (COBRA) — gives workers who lose their health benefits the right to choose to continue group health benefits provided by the plan under certain circumstances.

- COBRA generally requires that group health plans sponsored by employers with 20 or more employees in the prior year offer employees and their families the opportunity for a temporary extension of health coverage (called continuation coverage) in certain instances where coverage under the plan would otherwise end.

- The law generally covers group health plans maintained by employers with 20 or more employees in the prior year. It applies to plans in the private sector and those sponsored by state and local governments. Provisions of COBRA covering state and local government plans are administered by the Department of Health and Human Services.

- Several events that can cause workers and their family members to lose group health coverage may result in the right to COBRA coverage. These include:

  - voluntary or involuntary termination of the covered employee's employment for reasons other than "gross misconduct";
  - reduced hours of work for the covered employee;
  - covered employee becoming entitled to Medicare;
  - divorce or legal separation of a covered employee;
  - death of a covered employee; or
  - loss of status as a "dependent child" under plan rules.

- Under COBRA, the employee or family member may qualify to keep their group health plan benefits for a set period of time, depending on the reason for losing the health coverage. The following represents some basic information on periods of continuation coverage:

Qualified Beneficiary	Qualifying Event	Period of Coverage
Employee Spouse Dependent child	Termination Reduced hours	18 months *
Spouse Dependent child	Employee entitled to Medicare Divorce or legal separation Death of covered employee	36 months
Dependent child	Loss of dependent child status	36 months

**This 18-month period may be extended for all qualified beneficiaries if certain conditions are met in cases where a qualified beneficiary is determined to be disabled for purposes of COBRA.*

- However, COBRA also provides that your continuation coverage may be cut short in certain cases.

Notification Requirements:

- An initial notice must be furnished to covered employees and spouses, at the time coverage under the plan commences, informing them of their rights under COBRA and describing provisions of the law. COBRA information also is required to be contained in the plan's summary plan description (SPD). See fact sheet "Workers' Right to Health Plan Information (ERISA, Claims Procedures and SPD Regulation)"

- When the plan administrator is notified that a qualifying event has happened, it must in turn notify each qualified beneficiary of the right to choose continuation coverage.

- COBRA allows at least 60 days from the date the election notice is provided to inform the plan administrator that the qualified beneficiary wants to elect continuation coverage.

- Under COBRA, the covered employee or a family member has the responsibility to inform the plan administrator of a divorce, legal separation, disability or a child losing dependent status under the plan.

- Employers have a responsibility to notify the plan administrator of the employee's death, termination of employment or reduction in hours, or Medicare entitlement.

- If covered individuals change their martial status, or their spouses have changed addresses, they should notify the plan administrator.

Premium Payments

- Qualified beneficiaries may be required to pay the entire premium for coverage up to 102% of the cost to the plan. Premiums may be higher for persons exercising the disability provisions of COBRA. Failure to make timely payments may result in loss of coverage.

- Premiums may be increased by the plan; however, premiums generally must be set in advance of each 12-month premium cycle.

- Individuals subject to COBRA coverage may be responsible for paying all costs related to deductibles, and may be subject to catastrophic and other benefit limits.

United States Department of Labor

Employee Benefits Security Administration

Frequently Asked Questions

COBRA Continuation Health Coverage

Q1: What is COBRA continuation health coverage?

Congress passed the landmark Consolidated Omnibus Budget Reconciliation Act health benefit provisions in 1986. The law amends the Employee Retirement Income Security Act, the Internal Revenue Code and the Public Health Service Act to provide continuation of group health coverage that otherwise might be terminated.

Q2: What does COBRA do?

COBRA contains provisions giving certain former employees, retirees, spouses former spouses, and dependent children the right to temporary continuation of health coverage at group rates. This coverage, however, is only available when coverage is lost due to certain specific events. Group health coverage for COBRA participants is usually more expensive than health coverage for active employees, since usually the employer pays a part of the premium for active employees while COBRA participants generally pay the entire premium themselves. It is ordinarily less expensive, though, than individual health coverage.

Q3: Which employers are required to offer COBRA coverage?

Employers with 20 or more employees are usually required to offer COBRA coverage and to notify their employees of the availability of such coverage. COBRA applies to plans maintained by private-sector employers and sponsored by most state and local governments.

Q4: Who is entitled to benefits under COBRA?

There are 3 elements to qualifying for COBRA benefits. COBRA establishes specific criteria for plans, qualified beneficiaries, and qualifying events:

Plan Coverage - Group health plans for employers with 20 or more employees on more than 50 percent of its typical business days in the previous calendar year are subject to COBRA. Both full and part-time employees are counted to determine whether a plan is subject to COBRA. Each part-time employee counts as a fraction on an employee, with the fraction equal to the number of hours that the part-time employee worked divided by the hours an employee must work to be considered full-time.

Qualified Beneficiaries - A qualified beneficiary generally is an individual covered by a group health plan on the day before a qualifying event who is either an employee, the employee's spouse, or an employee's dependent child. In certain cases, a retired employee, the retired employee's spouse, and the retired employee's dependent children may be qualified beneficiaries. In addition, any child born to or placed for adoption with a covered employee during the period of COBRA coverage is considered a qualified beneficiary. Agents, independent contractors, and directors who participate in the group health plan may also be qualified beneficiaries.

Qualifying Events - Qualifying events are certain events that would cause an individual to lose health coverage. The type of qualifying event will determine who the qualified beneficiaries are and the amount of time that a plan must offer the health coverage to them under COBRA. A plan, at its discretion, may provide longer periods of continuation coverage.

The qualifying events for employees are:

- Voluntary or involuntary termination of employment for reasons other than gross misconduct
- Reduction in the number of hours of employment

The qualifying events for spouses are:

- Voluntary or involuntary termination of the covered employee's employment for any reason other than gross misconduct
- Reduction in the hours worked by the covered employee
- Covered employee's becoming entitled to Medicare
- Divorce or legal separation of the covered employee
- Death of the covered employee

The qualifying events for dependent children are the same as for the spouse with one addition:

- Loss of dependent child status under the plan rules

Q5: Under COBRA, what benefits must be covered?

Qualified beneficiaries must be offered coverage identical to that available to similarly situated beneficiaries who are not receiving COBRA coverage under the plan (generally, the same coverage that the qualified beneficiary had immediately before qualifying for continuation coverage). A change in the benefits under the plan for the active employees will also apply to qualified beneficiaries. Qualified beneficiaries must be allowed to make the same choices given to non-COBRA beneficiaries under the plan, such as during periods of open enrollment by the plan.

Q6: Who pays for COBRA coverage?

Beneficiaries may be required to pay for COBRA coverage. The premium cannot exceed 102 percent of the cost to the plan for similarly situated individuals who have not incurred a qualifying event, including both the portion paid by employees and any portion paid by the employer before the qualifying event, plus 2 percent for administrative costs.

For qualified beneficiaries receiving the 11 month disability extension of coverage, the premium for those additional months may be increased to 150 percent of the plan's total cost of coverage.

COBRA premiums may be increased if the costs to the plan increase but generally must be fixed in advance of each 12-month premium cycle. The plan must allow qualified beneficiaries to pay premiums on a monthly basis if they ask to do so, and the plan may allow them to make payments at other intervals (weekly or quarterly).

The initial premium payment must be made within 45 days after the date of the COBRA election by the qualified beneficiary. Payment generally must cover the period of coverage from the date of COBRA election retroactive to the date of the loss of coverage due to the qualifying event. Premiums for successive periods of coverage are due on the date stated in the plan with a minimum 30-day grace period for payments. Payment is considered to be made on the date it is sent to the plan.

If premiums are not paid by the first day of the period of coverage, the plan has the option to cancel coverage until payment is received and then reinstate coverage retroactively to the beginning of the period of coverage.

If the amount of the payment made to the plan is made in error but is not significantly less than the amount due, the plan is required to notify the qualified beneficiary of the deficiency and grant a reasonable period (for this purpose, 30 days is considered reasonable) to pay the difference. The plan is not obligated to send monthly premium notices.

COBRA beneficiaries remain subject to the rules of the plan and therefore must satisfy all costs related to co-payments and deductibles, and are subject to catastrophic and other benefit limits.

Q7: What is the Federal Government's role in COBRA?

COBRA continuation coverage laws are administered by several agencies. The Departments of Labor and Treasury have jurisdiction over private-sector health group health plans. The Department of Health and Human Services administers the continuation coverage law as it affects public-sector health plans.

The Labor Department's interpretive and regulatory responsibility is limited to the disclosure and notification requirements of COBRA. If you need further information about ERISA generally, write to the EBSA office nearest where you live. Consult the U.S. Government, U.S. Department of Labor listing in your telephone directory for the office nearest you or call EBSA's Toll-Free Employee & Employer Hotline number at: 866-444-3272 and request a list of EBSA offices, or write to:

U.S. Department of Labor
Employee Benefits Security Administration
Division of Technical Assistance and Inquiries
200 Constitution Avenue NW, Suite N-5619
Washington, DC 20210

The Internal Revenue Service, Department of the Treasury, has issued regulations on COBRA provisions relating to eligibility, coverage and premiums in 26 CFR Part 54, Continuation Coverage Requirements Applicable to Group Health Plans. Both the Departments of Labor and Treasury share jurisdiction for enforcement of these provisions.

The Center for Medicare and Medicaid Services offers information about COBRA provisions for public-sector employees. You can write them at this address:

Center for Medicare and Medicaid Services
7500 Security Boulevard
Mail Stop S3-16-26
Baltimore, MD 21244-1850
Tel 410.786.3000

Q8: Who can answer other COBRA questions?

COBRA administration is shared by three federal agencies. The U.S. Department of Labor handles questions about notification rights under COBRA for private-sector employees. The Department of Health and Human Services handles questions relating to state and local government workers. The Internal Revenue Service, Department of the Treasury, has other COBRA jurisdiction.

More details about COBRA coverage are included in the booklet An Employer's Guide to Group Health Continuation Coverage Under COBRA - The Consolidated Omnibus Budget Reconciliation Act of 1986. To request a copy, call EBSA toll-free 866-444-3272.

COBRA: Checklist for Administration

	COBRA Administrative Task	Date	Completed by
1	Mail initial notification letter		
2	Mail spouse/dependent initial notification letter		
3	Notify insurers of cancellation of coverage		
4	Advise of qualifying event		
5	Mail COBRA Qualifying Event Notice and Election Form to former employee *and* to former employees dependents (spouse, children)		
6	Receive signed COBRA Election Form		
7	Receive initial COBRA premium (within 45 days from date of election)		
8	Reactivate qualified beneficiaries coverage with insurer(s)		
9	Terminate COBRA coverage		

It is recommended that:

1. *This form be completed and kept in the employees personnel file.*
2. *Copies of all letters, forms and related documentation be attached to this checklist.*
3. *First class mail be used to mail notification (returned certified mail can be used to verify non-receipt of notification).*

Model COBRA Continuation Coverage Election Notice
Instructions

The Department of Labor has developed a model Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) continuation coverage election notice that the Plan may use to provide the election notice. To use this model election notice properly, the Plan Administrator must fill in the blanks with the appropriate plan information. The Department considers use of the model election notice to be good faith compliance with the election notice content requirements of COBRA. The use of the model notices isn't required. The model notices are provided to help facilitate compliance with the applicable notice requirements.

NOTE: Plans do *not* need to include this instruction page with the model election notice.

Paperwork Reduction Act Statement

According to the Paperwork Reduction Act of 1995 (Pub. L. 104-13) (PRA), no persons are required to respond to a collection of information unless such collection displays a valid Office of Management and Budget (OMB) control number. The Department notes that a Federal agency cannot conduct or sponsor a collection of information unless it is approved by OMB under the PRA, and displays a currently valid OMB control number, and the public is not required to respond to a collection of information unless it displays a currently valid OMB control number. See 44 U.S.C. 3507. Also, notwithstanding any other provisions of law, no person shall be subject to penalty for failing to comply with a collection of information if the collection of information does not display a currently valid OMB control number. See 44 U.S.C. 3512.

The public reporting burden for this collection of information is estimated to average approximately four minutes per respondent. Interested parties are encouraged to send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Office of Policy and Research, Attention: PRA Clearance Officer, 200 Constitution Avenue, N.W., Room N-5718, Washington, DC 20210 or email ebsa.opr@dol.gov and reference the OMB Control Number 1210-0123.

OMB Control Number 1210-0123 (expires 10/31/2016)]

Model COBRA Continuation Coverage Election Notice
(For use by single-employer group health plans)

IMPORTANT INFORMATION: COBRA Continuation Coverage and other Health Coverage Alternatives

[*Enter date of notice*]

Dear: [*Identify the qualified beneficiary(ies), by name or status*]

This notice has important information about your right to continue your health care coverage in the [*enter name of group health plan*] (the Plan), as well as other health coverage options that may be available to you, including coverage through the Health Insurance Marketplace at www.HealthCare.gov or call 1-800-318-2596**. You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA continuation coverage.** Please read the information in this notice very carefully before you make your decision. If you choose to elect COBRA continuation coverage, you should use the election form provided later in this notice.

Why am I getting this notice?

You're getting this notice because your coverage under the Plan will end on [*enter date*] due to [*check appropriate box*]:

☐ End of employment
☐ Death of employee
☐ Entitlement to Medicare
☐ Reduction in hours of employment
☐ Divorce or legal separation
☐ Loss of dependent child status

Federal law requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care coverage through COBRA continuation coverage when there's a "qualifying event" that would result in a loss of coverage under an employer's plan.

What's COBRA continuation coverage?

COBRA continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries who aren't getting continuation coverage. Each "qualified beneficiary" (described below) who elects COBRA continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan.

Who are the qualified beneficiaries?

Each person ("qualified beneficiary") in the category(ies) checked below can elect COBRA continuation coverage:

☐ Employee or former employee
☐ Spouse or former spouse
☐ Dependent child(ren) covered under the Plan on the day before the event that caused the loss of coverage
☐ Child who is losing coverage under the Plan because he or she is no longer a dependent under the Plan

Are there other coverage options besides COBRA Continuation Coverage?

Yes. Instead of enrolling in COBRA continuation coverage, there may be other more affordable coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage.

You should compare your other coverage options with COBRA continuation coverage and choose the coverage that is best for you. For example, if you move to other coverage you may pay more out of pocket than you would under COBRA because the new coverage may impose a new deductible.

When you lose job-based health coverage, it's important that you choose carefully between COBRA continuation coverage and other coverage options, because once you've made your choice, it can be difficult or impossible to switch to another coverage option.

If I elect COBRA continuation coverage, when will my coverage begin and how long will the coverage last?

If elected, COBRA continuation coverage will begin on [*enter date*] and can last until [*enter date*].
[*Add, if appropriate:* You may elect any of the following options for COBRA continuation coverage: [*list available coverage options*].
Continuation coverage may end before the date noted above in certain circumstances, like failure to pay premiums, fraud, or the individual becomes covered under another group health plan.

Can I extend the length of COBRA continuation coverage?

If you elect continuation coverage, you may be able to extend the length of continuation coverage if a qualified beneficiary is disabled, or if a second qualifying event occurs. You must notify [*enter name of party responsible for COBRA administration*] of a disability or a second qualifying event within a certain time period to extend the period of continuation coverage. If you don't provide notice of a disability or second qualifying event within the required time period, it will affect your right to extend the period of continuation coverage.

For more information about extending the length of COBRA continuation coverage visit http://www.dol.gov/ebsa/publications/cobraemployee.html.

How much does COBRA continuation coverage cost?

COBRA continuation coverage will cost: [*enter amount each qualified beneficiary will be required to pay for each option per month of coverage and any other permitted coverage periods.*]

Other coverage options may cost less. If you choose to elect continuation coverage, you don't have to send any payment with the Election Form. Additional information about payment will be provided to you after the election form is received by the Plan. Important information about paying your premium can be found at the end of this notice.

You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA continuation coverage. You can learn more about the Marketplace below.

What is the Health Insurance Marketplace?

The Marketplace offers "one-stop shopping" to find and compare private health insurance options. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums and cost-sharing reductions (amounts that lower your out-of-pocket costs for deductibles, coinsurance, and copayments) right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Through the Marketplace you'll also learn if you qualify for free or low-cost coverage from Medicaid or the Children's Health Insurance Program (CHIP). You can access the Marketplace for your state at www.HealthCare.gov.

Coverage through the Health Insurance Marketplace may cost less than COBRA continuation coverage. Being offered COBRA continuation coverage won't limit your eligibility for coverage or for a tax credit through the Marketplace.

When can I enroll in Marketplace coverage?

You always have 60 days from the time you lose your job-based coverage to enroll in the Marketplace. That is because losing your job-based health coverage is a "special enrollment" event. **After 60 days your special enrollment period will end and you may not be able to enroll, so you should take action right away.** In addition, during what is called an "open enrollment" period, anyone can enroll in Marketplace coverage.

To find out more about enrolling in the Marketplace, such as when the next open enrollment period will be and what you need to know about qualifying events and special enrollment periods, visit www.HealthCare.gov.

If I sign up for COBRA continuation coverage, can I switch to coverage in the Marketplace? What about if I choose Marketplace coverage and want to switch back to COBRA continuation coverage?

If you sign up for COBRA continuation coverage, you can switch to a Marketplace plan during a Marketplace open enrollment period. You can also end your COBRA continuation coverage early and switch to a Marketplace plan if you have another qualifying event such as marriage or birth of a child through something called a "special enrollment period." But be careful though - if you terminate your COBRA continuation coverage early without another qualifying event, you'll have to wait to enroll in Marketplace coverage until the next open enrollment period, and could end up without any health coverage in the interim.

Once you've exhausted your COBRA continuation coverage and the coverage expires, you'll be eligible to enroll in Marketplace coverage through a special enrollment period, even if Marketplace open enrollment has ended.

If you sign up for Marketplace coverage instead of COBRA continuation coverage, you cannot switch to COBRA continuation coverage under any circumstances.

Can I enroll in another group health plan?

You may be eligible to enroll in coverage under another group health plan (like a spouse's plan), if you request enrollment within 30 days of the loss of coverage.

If you or your dependent chooses to elect COBRA continuation coverage instead of enrolling in another group health plan for which you're eligible, you'll have another opportunity to enroll in the other group health plan within 30 days of losing your COBRA continuation coverage.

What factors should I consider when choosing coverage options?

When considering your options for health coverage, you may want to think about:

- Premiums: Your previous plan can charge up to 102% of total plan premiums for COBRA coverage. Other options, like coverage on a spouse's plan or through the Marketplace, may be less expensive.
- Provider Networks: If you're currently getting care or treatment for a condition, a change in your health coverage may affect your access to a particular health care provider. You may want to check to see if your current health care providers participate in a network as you consider options for health coverage.
- Drug Formularies: If you're currently taking medication, a change in your health coverage may affect your costs for medication – and in some cases, your medication may not be covered by another plan. You may want to check to see if your current medications are listed in drug formularies for other health coverage.
- Severance payments: If you lost your job and got a severance package from your former employer, your former employer may have offered to pay some or all of your COBRA payments for a period of time. In this scenario, you may want to contact the Department of Labor at 1-866-444-3272 to discuss your options.
- Service Areas: Some plans limit their benefits to specific service or coverage areas – so if you move to another area of the country, you may not be able to use your benefits. You may want to see if your plan has a service or coverage area, or other similar limitations.

- Other Cost-Sharing: In addition to premiums or contributions for health coverage, you probably pay copayments, deductibles, coinsurance, or other amounts as you use your benefits. You may want to check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher copayments.

For more information

This notice doesn't fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan is available in your summary plan description or from the Plan Administrator.

If you have questions about the information in this notice, your rights to coverage, or if you want a copy of your summary plan description, contact [*enter name of party responsible for COBRA administration for the Plan, with telephone number and address*].

For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website at www.dol.gov/ebsa or call their toll-free number at 1-866-444-3272. For more information about health insurance options available through the Health Insurance Marketplace, and to locate an assister in your area who you can talk to about the different options, visit www.HealthCare.gov.

Keep Your Plan Informed of Address Changes

To protect your and your family's rights, keep the Plan Administrator informed of any changes in your address and the addresses of family members. You should also keep a copy of any notices you send to the Plan Administrator.

COBRA Continuation Coverage Election Form

Instructions: To elect COBRA continuation coverage, complete this Election Form and return it to us. Under federal law, you have 60 days after the date of this notice to decide whether you want to elect COBRA continuation coverage under the Plan.

Send completed Election Form to: [*Enter Name and Address*]

This Election Form must be completed and returned by mail [*or describe other means of submission and due date*]. If mailed, it must be post-marked no later than [*enter date*].

If you don't submit a completed Election Form by the due date shown above, you'll lose your right to elect COBRA continuation coverage. If you reject COBRA continuation coverage before the due date, you may change your mind as long as you submit a completed Election Form before the due date. However, if you change your mind after first rejecting COBRA continuation coverage, your COBRA continuation coverage will begin on the date you submit the completed Election Form.

Read the important information about your rights included in the pages after the Election Form.

I (We) elect COBRA continuation coverage in the [*enter name of plan*] (the Plan) listed below:

Name Date of Birth Relationship to Employee SSN (or other identifier)

a. _____

[*Add if appropriate:* Coverage option elected: _____]

b. _____

[*Add if appropriate:* Coverage option elected: _____]

c. _____

[*Add if appropriate:* Coverage option elected: _____]

_____ _____
Signature Date

_____ _____
Print Name Relationship to individual(s) listed above

_____

_____

_____ _____
Print Address Telephone number

Important Information About Payment

First payment for continuation coverage

You must make your first payment for continuation coverage no later than 45 days after the date of your election (this is the date the Election Notice is postmarked). If you don't make your first payment in full no later than 45 days after the date of your election, you'll lose all continuation coverage rights under the Plan. You're responsible for making sure that the amount of your first payment is correct. You may contact [*enter appropriate contact information, e.g., the Plan Administrator or other party responsible for COBRA administration under the Plan*] to confirm the correct amount of your first payment.

Periodic payments for continuation coverage

After you make your first payment for continuation coverage, you'll have to make periodic payments for each coverage period that follows. The amount due for each coverage period for each qualified beneficiary is shown in this notice. The periodic payments can be made on a monthly basis. Under the Plan, each of these periodic payments for continuation coverage is due [*enter due day for each monthly payment*] for that coverage period. [*If Plan offers other payment schedules, enter with appropriate dates:* You may instead make payments for continuation coverage for the following coverage periods, due on the following dates:]. If you make a periodic payment on or before the first day of the coverage period to which it applies, your coverage under the Plan will continue for that coverage period without any break. The Plan [*select one:* will *or* will not] send periodic notices of payments due for these coverage periods.

Grace periods for periodic payments

Although periodic payments are due on the dates shown above, you'll be given a grace period of 30 days after the first day of the coverage period [*or enter longer period permitted by Plan*] to make each periodic payment. You'll get continuation coverage for each coverage period as long as payment for that coverage period is made before the end of the grace period. [*If Plan suspends coverage during grace period for nonpayment, enter and modify as necessary:* If you pay a periodic payment later than the first day of the coverage period to which it applies, but before the end of the grace period for the coverage period, your coverage will be suspended as of the first day of the coverage period and then retroactively reinstated (going back to the first day of the coverage period) when the periodic payment is received. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.]

If you don't make a periodic payment before the end of the grace period for that coverage period, you'll lose all rights to continuation coverage under the Plan.

Your first payment and all periodic payments for continuation coverage should be sent to:

[*enter appropriate payment address*]

COBRA Premium Increase Letter

(Date)
(Name and Address)
Dear :

According to our records, you have continued your health coverage with (Company name) under COBRA since (date). As you may recall, our health plan coverage and premium rates renew annually, the first of each calendar year. We use the calendar year as the 12-month COBRA determination period. (Use your own determination period.) COBRA allows us to pass along any change in premiums for COBRA participants at the beginning of each new determination period.

Due to increasing healthcare costs, our group health premiums are increasing effective January 1 (change date if you use a determination period other than calendar year) by approximately (%). Plans may charge COBRA beneficiaries the same amount for the total cost of coverage for active employees plus a two percent administration fee. For your coverage (specify employee only, employee and spouse, family) the new COBRA premium effective (date) will be (amount).

Please be sure to submit your premiums promptly by the first of each month. If you have any questions about your COBRA continuation coverage, please call me at (number) and I will be glad to help you.

Sincerely,

HR Director

- See more at:
http://www.shrm.org/templatestools/samples/hrforms/articles/pages/1cms_020347.aspx#sthash.oQjnQtpZ.dpuf

COBRA: Termination of Coverage due to Expiration of Coverage Period

Letter re: COBRA Termination

Dear [Enter name of COBRA participant],

In accordance with the requirements of COBRA, ABC Co. has been providing you with continuation coverage under the company's group health insurance plan. Your entitlement to COBRA coverage ends on _____, and all benefits will cease on that date.

Sincerely,

COBRA: Notice of Unavailability

NOTE: This notice must be customized according to your company's plan particulars and the employees specific situation. The notice must explain why an individual is not entitled to continuation of coverage (29 C.F.R. 2590.606-4(c)). The plan administrator must provide the notice within 14 days after receiving a notice of qualifying event from a participant, beneficiary or other individual (29 C.F.R. 2590.606-4(b)(2)).

[Date of Notice]

[Employee, Spouse and Covered Dependents Last known mailing address]

Dear [Name],

It is important that all covered individuals read this notice. Please advise [Name of COBRA administrator] immediately if there is a covered dependent not living at the above address.

Effective on [date coverage ceases] you are no longer covered by the employer-sponsored [Coverage/Plan Name] plan. This means claims for service on or after this date will not be paid.

Your loss of coverage is a result of [event] on [event date]. Under COBRA, some events and subsequent loss of coverage entitle you to continue your coverage under this plan. However, given the circumstances you described and any documentation you may have provided, [Company Name] has determined that COBRA is unavailable to you and your covered dependents because:

[insert description of reason for unavailability of COBRA coverage]

If you have questions or wish to appeal this decision, please contact [COBRA administrators name and contact information] for assistance.

Sincerely,

[Name]

COBRA: Termination of Coverage due to Lack of Premium payment

Re: COBRA Premium Payment

Date: [today's date]

Dear [COBRA beneficiary name],

According to our records, you elected COBRA continuation coverage beginning [date]. As stated on the election form you submitted (copy enclosed), you are required to make periodic payments in full for each COBRA coverage period. Although these periodic payments are due on the first day of the month for that month's coverage, you have a grace period of 30 days after the day of the coverage period to make the payment. Your continuation coverage is provided for each coverage period as long as payment is made before the end of the grace period. If you fail to make a periodic payment before the end of the grace period for that coverage period, you will lose all rights to continuation coverage under the plan.

As of this date, we have not received your COBRA premium payment for the month of [month]. As the grace period of 30 days has expired, please accept this letter as notice that your COBRA continuation coverage is terminated as of [last coverage date for last month for which payment was received].

If you have questions, please call me at [telephone number].

Sincerely yours,

[Name, Title]

Enclosures

COBRA: Termination of Coverage Notice

[NOTE: This notice must be customized according to your company's plan particulars and the employees specific situation. The notice must explain the reason coverage has terminated, provide the date of termination and describe any rights the qualified beneficiary may have to elect alternative group or individual coverage, such as a conversion right (29 C.F.R. 2590.606-4(d)). The time for providing this notice is as soon as reasonably practicable following the plan administrators determination that continuation coverage will terminate (69 Fed. Reg. 30090). See NOTE TO EMPLOYER at the end of this notice for additional information.]

[Date of Notice]

[Employee, Spouse and Covered Dependents Last known mailing address]

This notice pertains to your COBRA continuation coverage under [Name of the plan(s) under which COBRA coverage will terminate]. It is important that all covered individuals read this notice. Please advise [Name of COBRA administrator] immediately if there is a covered dependent not living at the above address.

Coverage under the plan(s) named above ceased or will cease on [last day of coverage] for the following individuals:

[insert name(s) of qualified beneficiary(ies) who are losing coverage]

COBRA continuation coverage terminated or will terminate for the following reason:

_____ A required premium was not paid in full on time.

_____ A qualified beneficiary became covered, after electing continuation coverage, under another group health plan that does not impose any preexisting condition exclusion for a preexisting condition of the qualified beneficiary.

_____ A covered employee became entitled to Medicare benefits (under Part A, Part B or both) after electing continuation coverage.

_____ The employer ceased to provide any group health plan for its employees.

_____ For cause (i.e., fraud): _____

_____

[Describe any rights the qualified beneficiary may have to elect alternative group or individual coverage, such as a conversion right.]

If you believe that your COBRA coverage should not have been terminated, you can request us to reconsider our determination by filing an appeal as follows:

1. Send a written appeal to [Name and Address] within 30 days of your receipt of this notice.

2. Explain why you believe your COBRA continuation coverage was improperly terminated and include all information you wish to be reviewed. Be sure to include your name, current address and the names of any covered dependents you wish to include in your appeal.

If you have any questions regarding the information in this notice, you should contact:

[Name of COBRA administrator, Telephone Number and Address].

Sincerely,

[Name]

COBRA: Underpayment of Premiums Notice

{Enter Date}

{Enter Name}

{Enter Address}

Dear_____:

Thank you for your check in the amount of _____ {indicate amount of check} submitted for your COBRA premium payment for the month of _____ which was received by us on _____. Unfortunately, the payment you submitted was insufficient to cover the cost of your premium for the month. As we advised you previously (see attached copy of our previous correspondence) your monthly COBRA premium is _____ {indicate amount}.

If you wish to continue your COBRA coverage under this plan we must receive payment in the amount of _____ {indicate amount of underpayment} within 30 days from the date of this notice which would be _____ {indicate date 30 days from when notice is sent}. PLEASE BE SURE TO SUBMIT A SEPARATE CHECK FOR THIS AMOUNT AND ENCLOSE IT WITH THIS LETTER INDICATING YOUR CHOICE BELOW.

Sincerely,

Plan Administrator
{Enter Address}

I have received notification of underpayment. In accordance with this notice I am responding that:

[] I wish to end my coverage under this plan effective with the last month for which full payment was submitted.

[] I wish to continue my coverage. A check for the underpaid amount specified above is attached.

_____ _____
Signature Date
Please return this form to {Enter Name and Address}