



DOL Issues Model Notices and FAQs for COBRA Subsidy

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As described in our [previous alert](#), the American Rescue Plan Act of 2021 (the ARPA), provides **a full subsidy for COBRA premiums** for certain qualified beneficiaries entitled to COBRA continuation coverage from April 1, 2021, through September 30, 2021. The subsidy applies to federal COBRA, state law “mini-COBRA,” and state or local government health insurance continuation coverage.

The Department of Labor (DOL) recently issued model notices and frequently asked questions (FAQs) regarding implementation of the subsidy [here](#).

Plans are required to notify qualified beneficiaries regarding the premium assistance and other information about their rights under the ARPA. Specifically, a plan must provide:

- A notice of the extended COBRA election period by **May 31, 2021** to any assistance-eligible individual who had a qualifying event before April 1, 2021 and whose maximum period of COBRA continuation coverage would include the subsidy period of April 1 through September 30, 2021; and
- A general notice to all qualified beneficiaries who have a qualifying event that is a reduction in hours or an involuntary termination of employment from April 1, 2021 through September 30, 2021. This notice may be provided separately or with the COBRA election notice following a COBRA-qualifying event.

The ARPA also requires that plans provide individuals with a notice of expiration of periods of premium assistance explaining that the premium assistance for the individual will expire soon, providing the date of the expiration, and explaining that the individual may be eligible for coverage without any premium assistance through COBRA continuation coverage or coverage under a group health plan. Coverage may also be available through Medicaid or the Health Insurance Marketplace. This notice must be provided 15 to 45 days before the individual's premium assistance expires.

Williams Mullen is monitoring the ARPA and other COVID-19 developments. Visit our [COVID-19 Resource Center](#) for a wide range of guidance to help employers navigate the pandemic.

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