

COBRA COVID-19 Deadline Extensions

It is benefits time for human resources professionals and something to keep in mind is the COBRA elections that may not be resolved under the current health plan.

A few months into the pandemic, the Department of Labor & the Internal Revenue Service issued guidance that extended the deadlines for separated employees to elect COBRA coverage, although qualifying events remain the same. Typically, former employees who participated in a company health plan had 60 days during which they could elect to have COBRA coverage. The May guidance changed the deadline by extending the election period. These deadlines may change again in light of the duration of the pandemic.

Here is the current timetable:

- 60 days after the announced end of the National Emergency or another designation. In this case, the DOL & IRS designated the “Outbreak Period”, which extends 60 days beyond the National Emergency.
- Currently, the National Emergency period, as of this moment, is due to expire on January 21, 2021.
- Accordingly, the Outbreak Period is due to expire 60 days after the National Emergency, which is March 22, 2021.
- The election period extends an additional 60 days past the end of the Outbreak Period. Accordingly, the election period will allow COBRA-qualified former employees to elect COBRA coverage through **Friday, May 21, 2021**.

Initial premium payments (formerly due 45 days after the election), are now due after the Outbreak Period. This means if John Doe was laid off on July 31 and then elected COBRA in August, he would not need to pay his first premium payment until after March 22, 2021, as well as the monthly premiums that are accruing. Those premiums are not forgiven – they are just delayed. So, for instance, John Doe would owe all the months of coverage – August 2020 and beyond. Those monthly payments come due all at once 3 days after the end of the Outbreak Period. Notices to COBRA-eligible former employees must reflect the extended election period.

If your company is switching health care providers, it is worthwhile to reach out to your existing provider to make sure that all COBRA-related information has been provided. This will make it much easier than scrambling to find the information after the New Year.

PLEASE NOTE: *This is not legal advice* and, as always, I recommend that you run your notices and policy past a local employment lawyer to make sure it complies with all applicable laws.