

COBRA Information

You should notify employees that under Federal law, they could continue group health coverage for 18 months. The continuation can be extended to 36 months in certain events (Death of the employee, Medicare entitlement, Divorce or legal separation, Child no longer eligible, Chapter 11 bankruptcy). You should collect the fee in advance for health coverage only and submit the appropriate fee at the time the regular billing statement is paid for the entire group.

Employer's Responsibilities:

- Offering health insurance continuation to all eligible employees and dependents as required by Federal law (notify all new hires about COBRA)
- Furnishing all necessary continuation forms to eligible participants so that a written election of continuation can be made
- Accepting and remitting premium payments to the insurance company in accordance with plan guidelines (add 2% onto the premium for administration fees)
- Notify the qualified employee or dependent within 14 days of the COBRA qualifying event

Employee's Responsibilities:

- Requesting continuation and completing forms within 60 days of the COBRA qualifying event
- Completing and submitting all required continuation forms to the employer
- Paying premiums on time and in a manner satisfactory to the employer (*There is no premium payment grace period after the due date.*)
- Being aware of all plan guidelines and continuation rules

COBRA will end if:

- The employer ceases to provide a health benefit plan to employees
- The continuing person fails to pay the monthly fee
- The continuing person obtains similar coverage under another group plan