

## NEWS ALERT

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### EMPLOYEE BENEFITS



## Reminder: Don't Forget to Timely Furnish the Required Notice of Expiration of the ARP COBRA Premium Subsidy Period!

By Melanie N. Aska and Erik M. Sharp | August 5, 2021

The American Rescue Plan Act of 2021 (the ARP, enacted on March 11, 2021) provides a temporary 100% COBRA premium subsidy to any assistance eligible individual (AEI) who loses employer-sponsored group health coverage due to a reduction in hours or involuntary termination of employment and whose COBRA continuation coverage period (typically, 18 months) overlaps the six-month COBRA subsidy period (April 1, 2021 to September 30, 2021) to any extent.

For any AEI, the COBRA premium subsidy period ends on the *earliest* to occur of:

- September 30, 2021;
- The date on which the AEI becomes eligible for another group health plan (other than coverage consisting solely of excepted benefits, such as dental and vision benefits), a health flexible spending arrangement (FSA), coverage under a qualified small employer health reimbursement arrangement (QSEHRA), or Medicare, regardless of whether the AEI actually enrolls in such coverage; and
- The last day of the AEI's maximum COBRA continuation coverage period (typically, 18 months).

The ARP requires plan administrators to provide a Notice of Expiration of Period of Premium Assistance (the Notice of Expiration) to each AEI (other than an AEI who has become eligible for other coverage, as described above) no earlier than 45 days and no later than 15 days before his or her COBRA premium subsidy period expires. The U.S. Department of Labor previously issued several model notices for use in connection with the ARP COBRA premium subsidy, including a model [Notice of Expiration](#).

Plan administrators must timely furnish (or have their third-party administrators timely furnish) the Notice of Expiration to each applicable AEI. For any such AEI whose COBRA premium subsidy period will end on Thursday, September 30, 2021, the Notice of Expiration must be furnished *no earlier than Monday, August 16, 2021 and no later than Wednesday, September 15, 2021*.

*If you have any questions about furnishing the Notice of Expiration, or if you have any other questions about the 100% COBRA premium subsidy or the related tax credit or how the subsidy or tax credit might affect your business, please contact Melanie N. Aska, Counsel, at 617-457-4131 or [maska@murthalaw.com](mailto:maska@murthalaw.com) or Erik M. Sharp, Partner, at 203-772-7772 or [esharp@murthalaw.com](mailto:esharp@murthalaw.com).*