

Administrative Concerns of COVID-19

In recent days, our nation has experienced almost unprecedented actions aimed at containing the spread of COVID-19. These developments may have both short- and long-term consequences for employers. We're sharing a number of questions that have been asked already, and we remain prepared to assist with new issues, as they arise.

When does a Reduction of Hours trigger COBRA? What about layoffs or a reduction in force?

Each employer will need to examine the terms of each benefit under the group health plan, as eligibility for the plan will be defined within these terms. A reduction of hours, layoff, and reduction in force are all events which, coupled with a loss of coverage, will be a COBRA Qualifying Event.

How quickly do I need to submit these Qualifying Events? For the convenience of my employees, how quickly can you get the notice(s) out for me?

Employers have a total of 44 days from the Qualifying Event date to mail a COBRA Election Notice. If you use the Loss of Coverage Date as the Qualifying Event date, your 44-day timeframe begins with the Loss of Coverage Date. Infinisource will generate and mail most COBRA Election Notices within three business days of receipt.

If I'm facing a large layoff or reduction in force, what are alternatives to keying these events in on your website?

Please contact your Customer Support Representative. We do make an Excel template available to upload for our COBRA site; however, there are data formatting requirements. We will be happy to review the template with you to

determine if it's a fit for your situation. A separate template can also be made available for the WEX Health portal.

Will COBRA election periods and grace periods be extended for Qualified Beneficiaries?

The U.S. Department of Treasury has occasionally extended (or tolled) certain COBRA timeframes for natural disasters (such as Hurricane Katrina). We have not yet been made aware of any such extensions in this situation, but we are monitoring for updates.

How will our Flexible Spending Account (FSA) or Health Reimbursement Arrangement (HRA) work for my employees during a layoff?

Please review your Plan Document for eligibility requirements. Both Health FSAs and HRAs are subject to COBRA's requirements. In the event that your employees become ineligible, these plans will need to be offered under COBRA (some exceptions may apply to Health FSAs), and your employees may elect to continue. Your plan may allow a run-out period for expenses incurred prior to the layoff, but employees will need to elect COBRA to be eligible to submit ongoing expenses.

Will my employees be able to use their WEX Health debit cards for expenses while laid off?

If your employees lose eligibility due to a layoff or reduction in hours, the debit cards will be disabled.

Can my employees change their annual elections due to this circumstance?

Some election changes may be permissible; for instance, Dependent Care elections can be changed due to school closings. Your Customer Support Representative can help with specific examples.

What will happen when my employees return to work?

You should examine the terms of the plan for each benefit to determine when your employees will regain eligibility for the plan. If they have continued coverage under COBRA, COBRA coverage will end when coverage as an active employee resumes.

What are my responsibilities as an employer to prepare if I have to lay employees off?

In terms of COBRA and FSA/HRA administration, there are no direct requirements to provide employees with advance notice. However, employers might choose to communicate proactively, to allay concerns about health coverage, especially in light of COVID-19.

For COBRA information, www.dol.gov provides an FAQ for consumers that will help explain the opportunity to continue coverage.

For FSAs and HRAs, participating employees often misunderstand the changes they will experience when they lose coverage. Infinisource is developing an FAQ specifically for employees who have lost eligibility for the plan, and we will share this document in our [Resource Center](#).

Your Customer Support Representative is an excellent resource for most questions, and we are happy to help answer your questions as they arise.

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