

# Benefits BRIEF



## Reminder: COBRA Subsidy Expiration Date and Notice Requirement

• August 27, 2021 •

The American Rescue Plan Act of 2021 ("ARPA") requires group health plans subject to COBRA to provide a 100% COBRA premium subsidy and expanded enrollment rights to those who qualify as assistance eligible individuals ("AEIs") **for a period of six months (April 1, 2021, to September 30, 2021)**. ARPA also imposed new COBRA notice obligations on group health plans.

As the subsidy period nears the end, employers and plan administrators are required to provide a subsidy expiration notice ("Notice") to AEIs, informing them of the impending subsidy termination.

### What information is required in the Notice?

- The Notice must describe: (1) the subsidy expiration date; (2) the right to continue COBRA coverage for the remainder of the individual's maximum coverage period (if applicable) without the subsidy; and (3) other coverage options that may be available.
- Employers can draft their own Notice, however, the Department of Labor ("DOL") has issued a model Notice, available [here](#).

### When does the Notice need to be provided?

- **The Notice must be provided between 45 and 15 days prior to the subsidy expiration date.** This means that all subsidy recipients will need to receive a Notice between August 16, 2021, and September 15, 2021 (45 to 15 days before the subsidy expires on September 30, 2021).
- A Notice is not required if an AEI's subsidy expires because they became eligible for Medicare or other group health plan coverage.

## ADDITIONAL RESOURCES

[The American Rescue Plan Act: Key COBRA, FSA, and Tax Provisions  
March 12, 2021, Benefits Bulletin](#)

[IRS Releases Guidance on COBRA Premium Assistance under ARPA  
May 19, 2021, Benefits Bulletin](#)