

SEPTEMBER 15 DEADLINE LOOMING FOR REQUIRED ARPA NOTICES

Insights
Sep 3, 2021

The American Rescue Plan Act of 2021 (ARPA) mandates that group health plans that are subject to COBRA must provide coverage to certain assistance eligible individuals (AEI) at no cost for periods of coverage between April 1, 2021 and September 30, 2021 (Subsidy Period). ARPA also requires plan sponsors to notify affected AEIs no earlier than 45 days before, and no later than 15 days before, premium assistance will end. Thus, plan sponsors must issue notices to AEI whose continuation coverage runs through or beyond September 30 by no later than September 15, 2021.

Required notices must be clear and understandable and include a prominent statement that premium assistance will end, including the specific end date. The notice also must explain the coverage options available to an AEI after premium assistance ends.

The U.S. Department of Labor has provided a model notice that employers or their COBRA administrators can use to comply with the notice requirement. The model notice includes specific information regarding alternative coverage options such as Marketplace coverage, Medicare and other group health plans (such as a spouse's plan under a special enrollment period).

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Also, AEIs who remain eligible to continue coverage under COBRA after September 30, 2021 retain the right to that coverage. However, they must pay for it under normal COBRA rules with no ARPA premium assistance starting with any coverage period that begins on or after October 1, 2021. Thus, the required notice should clearly explain the conditions under which the AEI may continue coverage.

Failure to timely provide a required notice of expiration of period of premium assistance notice could lead to substantial penalties under COBRA. So, plan sponsors should be actively working to meet the September 15 deadline.

We will monitor these developments and provide updates as warranted, so make sure that you are subscribed to [Fisher Phillips' Insights](#) to get the most up-to-date information direct to your inbox. If you have further questions, contact your Fisher Phillips attorney, the author of this Insight, or any attorney in our [Employee Benefits and Tax Practice Group](#).