

Blog Post

Deadline Triggered as COBRA Premium Subsidy Ends

September 13, 2021

Employers and plans are reminded that they *must provide a COBRA subsidy expiration notice no later than September 15, 2021*, pursuant to the American Rescue Plan Act of 2021 (ARPA). ARPA had included some new COBRA obligations for both employers and participants. In particular, as noted in our [previous posts](#), ARPA established a 100 percent COBRA premium subsidy that applied for a coverage period running from April 1, 2021, through September 30, 2021. That subsidy period is now coming to a close.

Under ARPA, a subsidy expiration notice must be provided where premium subsidy assistance will end as a result of the expiration of the individual's (1) subsidy period or (2) COBRA continuation period. While participants with COBRA continuation periods that expired before the end of the ARPA subsidy term should have already received their notice of subsidy expiration, many plan sponsors and administrators have been preparing for a "mass mailing" of expiration notices for participants with subsidies that will end effective September 30, 2021. Because plan administrators must notify assistance eligible individuals at least 15 days before the subsidy expires, this means that most notices must be mailed by September 15, 2021.

Earlier this year, the U.S. Department of Labor issued guidance and model notices for employers,

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including a model notice of expiration. Although use of the model election notices is not mandatory, the DOL considers appropriate use of the model election notices to be good faith compliance with the election notice content requirements of COBRA under ARPA. As always, if you have questions about the model notice or your obligations as an employer under COBRA, please contact your Akerman attorney.

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