

April 30, 2021

AMERICAN RESCUE PLAN ACT OF 2021 PROVIDES 100% COBRA SUBSIDY

You should be aware that the newly enacted American Rescue Plan Act of 2021 provides for a 100% COBRA subsidy for eligible Health Plan participants from April 1, 2021 through September 30, 2021 (the “Subsidy Period”).

Who is Eligible?

The subsidy is available to any participant and their beneficiaries who experience a loss in coverage due to the participant’s termination of employment or reduction in hours (other than a voluntary separation) during the Subsidy Period.

The subsidy is also available to participants who are still within their COBRA continuation window (generally 18 months following loss of coverage), even if they did not timely elect COBRA or they elected and discontinued COBRA coverage before April 1, 2021.

However, the subsidy will not be available, or will terminate, if a participant or beneficiary is or becomes eligible for another group health plan or Medicare during the Subsidy Period.

How Much is the Subsidy?

During the Subsidy Period, COBRA coverage for you and your dependents will be free. Qualified participants and dependents who enroll will automatically be treated as having paid the full required COBRA premium.

What Do I Have to Do to Receive the Subsidy?

In order to receive free COBRA coverage, you will need to timely complete a subsidy election form. Please stand by for additional information from the Plan. We will be reaching out shortly to any qualified participants and beneficiaries who are eligible for this relief to provide an election form. Qualified beneficiaries will also have an opportunity at that time to elect COBRA coverage.

Additional Guidance

Please note that government guidance regarding this COBRA relief is constantly evolving. We will be providing additional information about eligibility, coverage, and the application process. If you have concerns with respect to your benefits with the Plan or your eligibility for the COBRA subsidy, please contact us at (626) 434-2469 to determine if relief may be available to you.

