

On May 4th, 2020, the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) and the Internal Revenue Service (IRS) issued regulatory guidance extending certain timeframes under the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code for group health plans, disability and other welfare plans, pension plans and participants and beneficiaries of these plans during the COVID-19 national emergency. These changes were made to minimize individuals losing benefits because of a failure to comply with specified timeframes and while recognizing that group health plans may have difficulty complying with certain notice obligations during this National Emergency.

These new regulations impact timelines for COBRA, HIPAA special enrollment rights, claims procedures and external review processes and can affect group and individual health, disability, and pension plans.

What is the timeframe for the Extension Period?

- » A period from March 1, 2020 until 60 days after the COVID-19 National Emergency has ended (the Outbreak Period). All plans subject to COBRA continuation must disregard the Outbreak Period for COBRA deadline purposes.

What COBRA deadlines are impacted with this change?

- » The 60-day election period for COBRA continuation coverage has been modified to allow for a 45-day election period following the Outbreak Period (i.e. 60 days after the COVID-19 National Emergency has ended). This applies only those COBRA packets mailed on or after March 1, 2020. Example - if the National Emergency ended May 31, 2020, a participant would have until July 30, 2020 for their election window to begin and 45 days to elect (until September 15, 2020). Please note: The participant will have to pay ALL past due months by end of their window to elect.
- » If a COBRA participant is unable to pay for premiums beginning March 1st through the end of the National Emergency, the participant has a new 60-day grace period. Example, if the National Emergency ended May 31, 2020, a participant would have until July 30, 2020 for their payment grace period to begin and until the end of August to remit payment(s).
- » If an Employer is not able to provide Termination information for participants due to business closures or staff reduction, there will be no repercussions for a delayed COBRA packet while in National Emergency and the 60-day Outbreak Period. You will have 14 days to send COBRA Election Notices after the 60-day Outbreak Period has ended. Please note – there will not be a delay of processing from our standard 14-day timeline once we are notified of a COBRA event.

The full updated regulations can be found through the link below

<https://www.govinfo.gov/content/pkg/FR-2020-05-04/pdf/2020-09399.pdf>

If you have any additional questions or would like any additional information, please feel free to contact your WORKTERRA team.