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American Rescue Plan Act of 2021: Notice Required for the End of COBRA Premium Assistance

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This update is regarding the COBRA premium subsidy mandated by the American Rescue Act Plan of 2021 (ARPA) and the notice regarding the availability of the subsidy.

In its frequently asked questions published April 7, 2021, the Department of Labor (DOL) at Q&A 10 provides that plans must provide individuals with advance notice of expiration of periods of premium assistance.

The April 7th FAQs indicate that the form of notice must explain that premium assistance will expire soon, the date of expiration and that the individual may be eligible for coverage without premium assistance through COBRA continuation coverage or coverage under a group health plan or through Medicaid or the Health Insurance Marketplace®. The notice of expiration must be provided 15-45 days before the individual's premium assistance expires.

September 30, 2021 is the expiration of the premium assistance period, which began April 1, 2021. **Employers and plan administrators should process and deliver the notices of expiration immediately.** The DOL has posted a model form of notice that employers and administrators may use to provide the notice of expiration, found here.

If you have questions about the ARPA, COBRA notices or anything else, please contact your Knox Law attorney or call us at 814-459-2800.

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