



COVID-19 FAQs for COBRA Participants and Beneficiaries (updated March 4, 2021)

On April 28, 2020, the Department of Labor (DOL) issued EBSA Disaster Relief Notice 2020-01, which extends COBRA grace periods to all plan participants. The DOL updated this relief information in EBSA Disaster Relief Notice 2021-01 (published February 26, 2021).

Here is what you need to know:

- This extension applies to both the COBRA election time frame as well as the time frame for making your initial COBRA premium payment.
- The extensions are retroactive to the March 13, 2020 national emergency declaration date.
- COBRA-eligible employees and beneficiaries have an extension of up to one year from their COBRA qualification date **or** 60 days after the date the President announces an end to the national emergency.
- To date, there is still no declared end date for the national emergency.

Sterling Administration will continue to accommodate these extensions. Please note, Sterling's Initial COBRA Notice documents continue to include standard COBRA deadlines. **Employees and beneficiaries with COBRA-qualifying events or who are within their COBRA election period on or after March 1, 2020 will receive their requested extensions.**

Health Benefits Questions:

Q1: What extensions are available to me as the COBRA participant?

Under the Final Rule, all group health plans subject to ERISA or the Code must disregard the period beginning March 1, 2020. They must continue to do so until sixty (60) days after the federal government declares an end to the National Emergency (referred to as the "Outbreak Period" in the Final Rule). The Rule extends the following benefit periods and deadlines as they relate to COBRA benefits during this time:

- The 30- or 60-day period (if applicable) to request special enrollment in a covered health and welfare benefit plan;
- the 60-day timeline for a participant to elect COBRA continuation coverage; and
- the participant deadline for making COBRA premium payments.

Q2: I received my COBRA notice with deadlines. Are any of these time frames extended, and can I still enroll in COBRA?

If your COBRA effective date occurred on or after March 1, 2020 or your 60-day election period was in effect on or after March 1, 2020, then you are eligible to receive an extension of up to one year on your COBRA enrollment and payment deadlines. Disaster Relief Notice 2021-01 provided the following examples to illustrate the duration of the relief under the Notices:

*"If a qualified beneficiary, for example, would have been required to make a COBRA election by March 1, 2020, **the Joint Notice delays that requirement until February 28, 2021**, which is the earlier of 1 year from March 1, 2020 or the end of the Outbreak Period (which remains ongoing).*

Similarly, if a qualified beneficiary would have been required to make a COBRA election by March 1, 2021, the Joint Notice delays that election requirement until the earlier of 1 year from that date (i.e., March 1, 2022) or the end of the Outbreak Period." (Emphasis added)

In both examples, the permitted extension period provided by the Notice 2021-01 does not exceed one year.

Q3: Do I have to pay for the COBRA coverage months I did not use?

Yes. COBRA is a retroactive continuation of coverage, and you cannot have a lapse. To have coverage for those months, you must pay the COBRA premium.



Q4: I cannot afford to pay the full COBRA premium. Does the Notice offer a premium discount?

There is no discount for COBRA premiums available under the Notice. Contact Sterling to find out how you can get caught up with your payments. Note that you need to pay your monthly premium to have coverage.

Q5: Do I have to pay my monthly premium within the 30-day grace period?

Yes. You will have to pay for the premium within the coverage month. If we do not receive payment by that due date, you will receive a system-generated termination letter. If you wish to continue your COBRA plan, contact Sterling to make payment arrangements at COBRA@sterlingadministration.com, or call 1-800-617-4729 and select option 3. Although your coverage may terminate initially, Sterling will reinstate it once we receive a payment within the new extended deadlines.

Q6: I was furloughed from my job due to COVID-19; am I eligible for COBRA coverage continuation?

Yes. Complete and send in the COBRA election form to Sterling with your payment for reinstatement processing with your health insurance carrier. When you start working again, contact Sterling to close your COBRA account.

Q7: Can I obtain other health coverage?

Your other health coverage options may include the following:

Special Enrollment in Another Group Health Plan: You may become eligible for other group health coverage (for example, you become eligible to enroll in your spouse's employer's coverage). In that case, you may request a special enrollment period to enroll in the other coverage. A special enrollment period allows you (and your family) to enroll in health coverage for which you are otherwise ineligible outside of the plan's open enrollment period.

Health Insurance Marketplace - You may contact the marketplace exchange for options available to you at www.HealthCare.gov or call 1-800-318-2596. The federal website allows you to find and compare various private health insurance options. Marketplace coverage also provides a possible tax credit to lower your monthly premiums and cost-sharing reductions to your out-of-pocket costs for deductibles, coinsurance, and copayments. This way, you can see your exchange premium, deductibles, and out-of-pocket costs before you decide to enroll in COBRA.

Q8: If my employer's physical location temporarily closes due to the COVID-19 outbreak, am I still covered by my employer's group health plan?

If your employer remains in business, offers health coverage, and you are employed and eligible for that coverage, then you will be covered under that health plan. However, let's say your employer terminates your coverage due to a furlough (temporary leave of absence). That termination is considered a qualifying event for you to enroll in COBRA continuation coverage.

Q9: Am I eligible for COBRA if my employer closed or went bankrupt and there is no health plan?

If there is no longer an active health plan, then there is no COBRA coverage available. You may seek individual coverage through the health insurance marketplace exchange (see Question 7 for more information).