

CLIENT ALERT: Employers Must Provide Notice of the End of the COBRA Subsidy Under ARPA

The COBRA subsidy provisions of the American Rescue Plan Act of 2021 (“ARPA”) are set to expire on September 30, 2021. ARPA requires that eligible individuals be notified when their premium assistance ends, and with that end fast approaching, employers and plan administrators are reminded of their obligation to issue the required notice to those impacted.

ARPA includes, among other provisions, a full COBRA subsidy for “Assistance Eligible Individuals” for the period April 1 through September 30, 2021. COBRA premium assistance applies until the earliest of (1) the first date the Assistance Eligible Individual becomes eligible for other group health plan coverage (with certain exceptions) or Medicare coverage, (2) the date the individual ceases to be eligible for COBRA continuation coverage, or (3) the end of the last period of coverage beginning on or before September 30, 2021. MBJ previously summarized these provisions, and others, in a series of client alerts on [March 31, 2021](#), [April 14, 2021](#), and [May 25, 2021](#).

Currently pressing, ARPA directs those responsible for COBRA administration to notify individuals of their eligibility for (and any expiration of) COBRA premium assistance. The notice of premium subsidy expiration must be provided to an individual between 15 to 45 days before the individual’s premium assistance expires. For those individuals whose subsidy is expiring due to the end of the subsidy period on September 30, 2021, the notice must be provided between August 16, 2021 and September 15, 2021.

The U.S. Department of Labor (“DOL”) issued a Model Notice of Expiration of Premium Assistance to use in fulfilling these notice obligations. The notice is available on the [DOL’s website](#) in English ([MS Word](#) | [PDF](#)) and Spanish ([MS Word](#) | [PDF](#)).

Employers must understand their COBRA subsidy obligations under ARPA, and should consult with their MBJ attorney and their plan administrators with any questions.

Jeffrey Siegel is a Partner at Morgan, Brown & Joy, LLP, and may be reached at (617) 523-6666, or at jsiegel@morganbrown.com. Morgan, Brown & Joy, LLP focuses exclusively on representing employers in employment and labor matters.

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