

End of COBRA Subsidy Notice Must Be Sent By September 15th

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Under the American Rescue Plan Act (ARP), certain individuals known as assistance eligible individuals (AEIs) were eligible for a COBRA premium subsidy between April 1, 2021 and September 30, 2021. Plan administrators (or their third party COBRA administrators) are required to provide a notice of the expiration of the subsidy at least 15 days (not more than 45 days) before an AEI's COBRA premium subsidy expires. For those AEIs who are currently receiving a COBRA premium subsidy and who will lose the subsidy due to the end of the COBRA subsidy period on September 30th, the notice must be provided by **September 15th**.

What Provisions Are Required In The Notice?

ARP requires that the notice be written in “clear and understandable language” and provide:

- that the subsidy will expire soon and a “prominent” statement of the date of expiration, and
- that the individual may be eligible for coverage without a subsidy through COBRA continued coverage or coverage under another group health plan.

The DOL's model notice, **Notice of Expiration of Period of Premium Assistance** [[MS Word](#) | [PDF](#)] contains the required provisions in ARP as well as other coverage options that may be available (Medicare, Medicaid or the Health Insurance Marketplace) and a list of factors to consider when choosing coverage options. Plan administrators who use the DOL's model notice will be deemed to be in good faith compliance with the notice requirements.

Are There Any Circumstances When The COBRA Subsidy May Extend Past September 30?

The availability of the COBRA premium subsidy may extend past September 30 into October in certain circumstances. For example, if qualified beneficiaries are required to pay for COBRA coverage on a

biweekly basis and the end of the biweekly period of coverage doesn't end until October 2, 2021, the COBRA premium subsidy will apply to the entire period of coverage ending in October. See Q/A-47 in [Notice 2021-31](#). The Notice of Expiration of Period of Premium Assistance should still be provided to AEs by September 15th even in these circumstances.

What Are The Consequences Of Not Providing The Notice?

Failure to provide this notice timely may subject a plan administrator to penalties and excise taxes. An employer who fails to provide the notice, however, is not required to continue the premium subsidy.