

**FREE AND EXTENDED COBRA COVERAGE UNDER
THE AMERICAN RESCUE PLAN ACT OF 2021**

This is a legal update for employers who are participating in the Ohio Chamber Health Benefit Program, administered by UnitedHealthcare.

Section 9501 of the American Rescue Plan Act of 2021 (the “ARPA”) requires employers to extend offers of free COBRA coverage to certain individuals for the period from April 1, 2021 through September 30, 2021. The ARPA then provides tax credits as means of offsetting the costs of the free COBRA coverage. The law also requires employers to extend offers of COBRA coverage to other individuals whose right to COBRA coverage previously ended.

The law requires the Department of Labor to issue, by April 11, 2021, a model notice for employers to use to advise qualified beneficiaries of their rights under the law. Plan administrators are required to give notices to eligible qualified beneficiaries by not later than May 30, 2021. Once an eligible qualified beneficiary receives a notice, the individual is entitled to a 60-day period to elect the COBRA coverage. Any coverage elections will be made retroactive back to April 1, 2021.

There are a significant number of uncertainties surrounding the provisions of Section 9501 of the ARPA, including its potential application to small employers that may generally be exempt from the COBRA law. Although the new law is generally becoming effective as of April 1, 2021, no guidance has been issued by the federal government agencies responsible for enforcement of the law (the IRS and DOL).

Once additional guidance is received from the IRS and DOL, we will provide you with additional details regarding the requirements of the law and your responsibilities as an employer under the Ohio Chamber Health Benefit Program. We are hopeful that will be very soon.

In the meantime, if you have any questions about the Ohio Chamber Health Benefit Program, please contact O.C.H.B.P. Executive Director, Scott Colby via email at scolby@ohiochamber.com