

# LEGAL UPDATE

## COBRA Subsidy Expiration Notice Due by Sept. 15 (Sooner for Some)

The [American Rescue Plan Act](#) (ARPA) provides COBRA premium assistance to eligible individuals and imposes notice requirements on health plans. One such requirement is that plans must **notify eligible individuals about when their premium assistance ends**, and whether they may be eligible for regular COBRA coverage or coverage under another group health plan.

### Background

The ARPA requires the full cost of COBRA premiums from **April 1, 2021, through Sept. 30, 2021**, to be subsidized for certain assistance-eligible individuals whose work hours were reduced or whose employment was involuntarily terminated. The subsidies are reimbursed directly to the employer, plan administrator, or insurance company (as applicable) through a COBRA subsidy tax credit.

### Notice of Subsidy Expiration

The notice of premium subsidy expiration must be provided during the **45 - 15-day period** before an individual's subsidy expires. This means that, for individuals whose subsidy is expiring due to the end of the subsidy period, the notice must generally be provided from Aug. 16, 2021, to Sept. 15, 2021. Otherwise, the due date will depend on when an individual's maximum COBRA coverage period ends.

Plans are **not required** to issue an expiration notice to individuals whose subsidy is expiring because they became eligible for other group health plan coverage or Medicare.

### Model Notice Available

The U.S. Department of Labor (DOL) has issued a **model notice of expiration of premium assistance** ([Word](#) / [PDF](#)) that can be used to satisfy this requirement. The model is also available in Spanish ([Word](#) / [PDF](#)).

---

Provided to you by **Cowden Associates, Inc.**

This Legal Update is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice. ©2021 Zywave, Inc. All rights reserved.

### Notice Content Requirements

The notice of premium subsidy expiration must be written in clear and understandable language, and inform recipients that:

- The premium assistance will expire soon, prominently identifying the expiration date; and
- The individual may be eligible for coverage without premium assistance through regular COBRA coverage or coverage under a group health plan.

***Notice of premium subsidy expiration must be provided 45 to 15 days before an individual's subsidy expires.***

**COWDEN**

444 Liberty Avenue, Suite 605  
Pittsburgh, PA 15222  
Ph: 412.394.9330  
Website: [www.cowdenassociates.com](http://www.cowdenassociates.com)