



FREE COBRA IN 2021! (FOR THOSE WHO QUALIFY)

What you should know about the new COBRA subsidies

PRESENTER



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AGENDA

01 What brokers and employers need to know

02 How Alpine can help

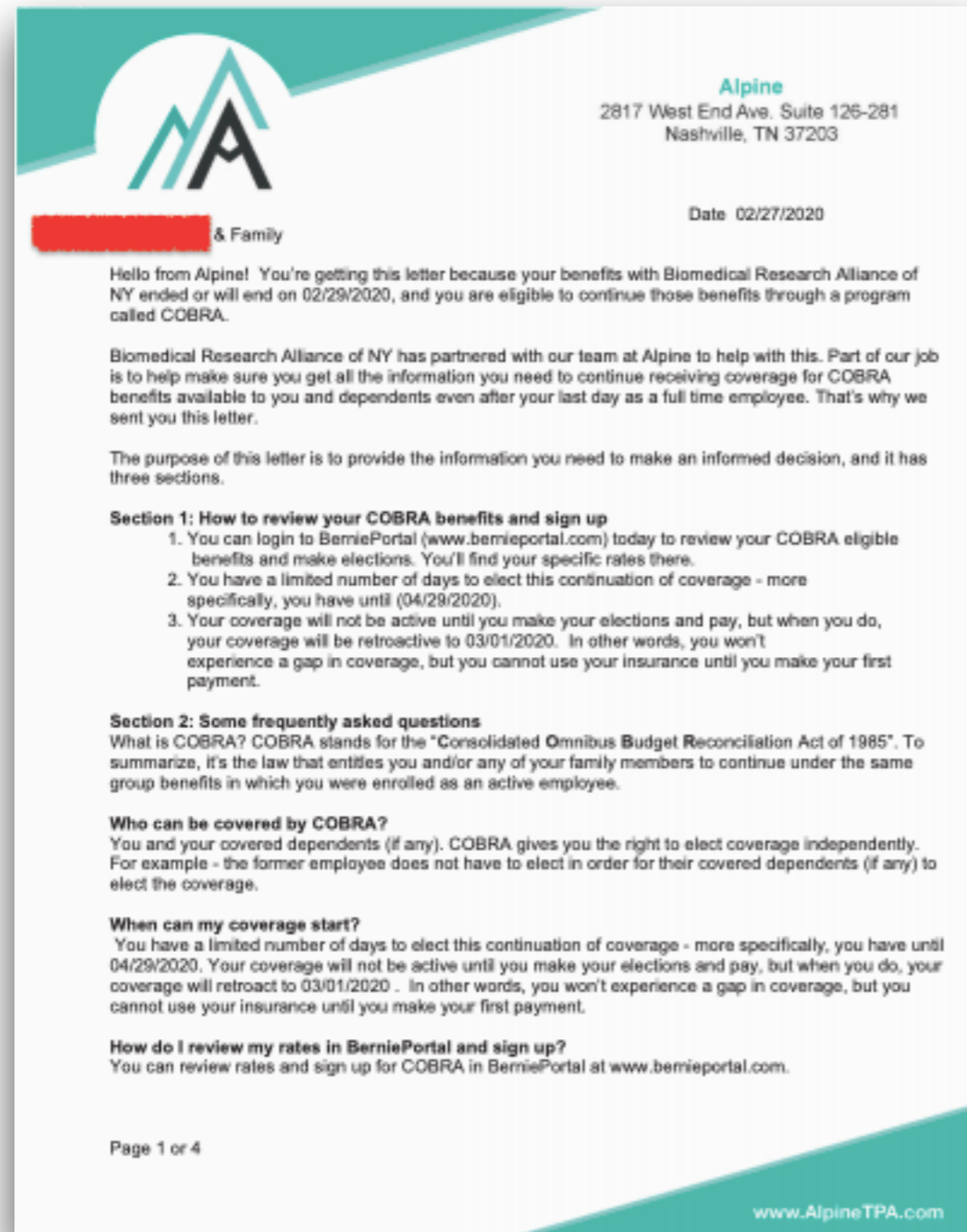
03 Q&A

The American Rescue Plan Act



What brokers and employers need to know

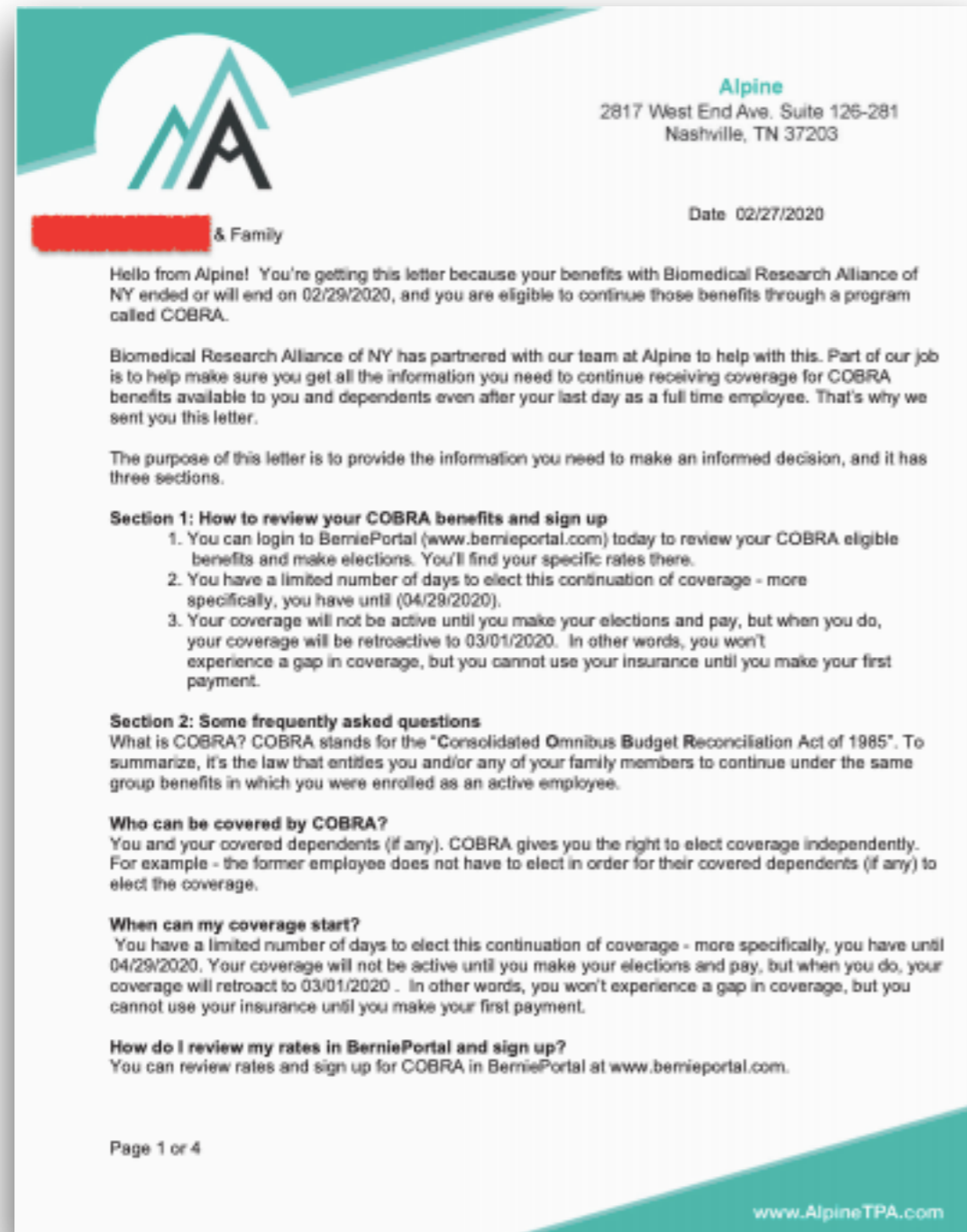
How COBRA *normally* works...



- 1 Employee becomes eligible for COBRA. Usually due to termination or reduction in hours.
- 2 Within 63 days of becoming eligible for COBRA, they can elect.
- 3 Former employee / dependent elects COBRA benefits.
- 4 They pay the premium (up to 102% of actual cost) each month to their COBRA administrator.
- 5 COBRA administrator remits payment to the employer.
- 6 Employer pays the carrier.

What brokers and employers need to know

How COBRA will work from April 1 - Sept 30 for people who qualify



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- 4 ~~They pay the premium (up to 102% of actual cost) each month to their COBRA administrator.~~
- 5 ~~COBRA administrator remits payment to the employer.~~
- 6 Employer pays the carrier.
- 7 Gov't reimburses employer when they file form 941 for quarterly taxes via a payroll tax credit.

What brokers and employers need to know

Your CPA is the right resource for questions about getting reimbursed by the gov't.

Form **941 for 2021: Employer's QUARTERLY Federal Tax Return** 950121
(Rev. March 2021) Department of the Treasury — Internal Revenue Service OMB No. 1545-0029

Employer identification number (EIN) -

Name (not your trade name)

Trade name (if any)

Address
Number Street Suite or room number

City State ZIP code

Foreign country name Foreign province/county Foreign postal code

Report for this Quarter of 2021
(Check one.)

☐ 1: January, February, March
☐ 2: April, May, June
☐ 3: July, August, September
☐ 4: October, November, December

Go to www.irs.gov/Form941 for instructions and the latest information.

Read the separate instructions before you complete Form 941. Type or print within the boxes.

Part 1: Answer these questions for this quarter.

1 Number of employees who received wages, tips, or other compensation for the pay period including: Mar. 12 (Quarter 1), June 12 (Quarter 2), Sept. 12 (Quarter 3), or Dec. 12 (Quarter 4) 1

2 Wages, tips, and other compensation 2

What types plans are required to comply?

The premium subsidy generally applies to group health plans that are subject to the Employee Retirement Income Security Act (ERISA).

State Continuation Plans are included too (e.g., New York's mini-COBRA law).

It **doesn't** apply to coverage under a health flexible spending arrangement provided pursuant to a cafeteria plan.

Who gets the subsidy?

Those eligible to receive the COBRA subsidy starting on April 1 include eligible employees and covered dependents who:

- (i) are already enrolled in COBRA
- (ii) did not elect COBRA when it initially became available to them
- (iii) elected COBRA initially but let the coverage lapse

Who gets the subsidy?

Those eligible to receive the COBRA subsidy starting on April 1 include **eligible** employees and covered dependents who:

Eligible means they were terminated involuntarily (they didn't quit).

Who qualifies? Current, Future, and Past.

Current people on COBRA

Anyone currently on COBRA who was terminated involuntarily, for any reason other than for gross misconduct, can get **free COBRA for up to 6 months**, April 1, 2021 - September 30, 2021.

Current employees who become eligible for COBRA in the Future

Anyone terminated involuntarily between now and September (again, for any reason other than gross misconduct) can also get free COBRA through September.

Former employees who were eligible for COBRA in the Past

Anyone who became eligible for COBRA after November 1, 2019 may still be eligible for this subsidy too, even if they waived coverage.

Example

Susan, an assistance eligible individual, elects COBRA coverage due to her involuntary termination from employment.

She elects coverage for herself and all of her family members (who were covered under the plan on the day before the qualifying event), which includes her two dependent children and her domestic partner. Susan and her family members are not eligible for other group health coverage or Medicare.

Under the terms of the plan, COBRA coverage for an employee plus-two-or-more-dependents costs \$800 per month. As a result, Susan would be entitled to the ARPA COBRA premium subsidy for the full \$800 per month, and her former employer may claim the payroll tax credit for the full \$800 per month.

What should employers do now to stay compliant?

By *May 31, 2021*, send new COBRA notices to anyone who qualifies for the subsidy.

The US Dept of Labor will release model notices by April 30.

What should employers do now to stay compliant?

Within 60 days of April 1, 2021, send new COBRA notices to anyone who qualifies for the subsidy.

The new notice must include:

- (1)** the forms necessary for establishing eligibility for premium assistance
- (2)** the name, address, and telephone number necessary to contact the plan administrator and any other person with relevant information regarding the premium subsidy
- (3)** a description of the special 60-day election period
- (4)** a description of the qualified beneficiaries' obligation to inform the plan administrator if the qualified beneficiary becomes eligible for disqualifying coverage
- (5)** a description, displayed in a prominent manner, of a qualified beneficiary's right to a subsidized premium and any conditions on entitlement to the subsidized premium
- (6)** a description of the qualified beneficiary's option to enroll in different coverage, if permitted by the employer.

Again, who needs to get this notice?

Anyone who qualifies for the subsidy.

Here's some more technical language on who qualifies:

To qualify for the subsidy, an individual must have been eligible for COBRA due to the covered employee's involuntary termination of employment or reduction of hours, and the individual must elect COBRA.

Qualified beneficiaries who are eligible for COBRA due to a voluntary termination of employment are not eligible for the premium subsidy (nor are individuals terminated for gross misconduct or whose qualifying event is anything other than involuntary termination of employment or a reduction in hours, such as children entitled to COBRA due to aging off coverage).

The individual must have been eligible for COBRA coverage during the period beginning on April 1, 2021 and ending Sept. 30, 2021.

Again, who needs to get this notice?

Current people on COBRA

Do you have former employees on COBRA today?

If they quit voluntarily, theres nothing you need to do.

But if they were terminated involuntarily (for anything other than gross misconduct), you must send a new COBRA notice letting them know they're eligible for the ARPA subsidy.

Again, who needs to get this notice?

Current employees who become eligible for COBRA in the **Future**

Make sure your termination process keeps track of who is quitting voluntarily vs who is terminated involuntarily.

Anyone you terminate after April 1 who qualifies for the ARPA subsidy should get a COBRA notice with different language.

Again, who needs to get this notice?

Former employees who were eligible for COBRA in the **Past**

Make a list of all your terminations since 11/1/2019.

For those who didn't quit voluntarily or were terminated for gross misconduct, you must send them a new COBRA notice letting them know they are once again eligible to enroll in COBRA as of April 1.

What else should employers know?

Are individuals who previously declined COBRA coverage or discontinued COBRA coverage potentially eligible for the subsidy?

Yes.

Anyone who waived coverage initially, or cancelled COBRA after a few months will get a special “second chance” election right.

This “second chance” special election period begins on April 1 and ends 60 days after an individual receives a new COBRA notice. If the person elects COBRA, their subsidized coverage will start on April 1, 2021.

Note that this rule differs from the normal COBRA rules which require the coverage to be effective as of the date of the original loss of coverage.

What else should employers know?

Does ARPA extend the COBRA coverage period?

No. When the coverage period ends, the coverage period ends.

What don't we know?

Will the ARPA subsidy cover medical, dental and vision coverage or just medical coverage?

What if a termination is mutual? A situation where the employer asks the employee to resign?

There could be questions of whether the employer must provide the subsidy where the employer and employee resolve to mutually terminate their relationship, the termination occurs under a voluntary exit incentive program, an employee leaves for “good reason,” or an employee retires after a mandated retirement age.

The DOL will need to provide further guidance so that employers know whether terminations in these situations require the ARPA COBRA subsidy.



AGENDA

01 What brokers and employers need to know

02 How Alpine can help

03 Q&A

Alpine will send out notices

You know the termination reasons better than we do. So we just need your help identifying who's eligible.

We'll take care of the rest.

Current COBRA Members

Looks at employees on COBRA now, and tell alpine@bernardhealth.com who was terminated involuntarily.

HOME

CLIENT LIST

PROVIDER LIST

SEARCH USER

ADP

AGENCY LIST

GOVERNMENT

...

	COBRA	Monster, Matty	HR Nashville, TN	matty.monster123@mailinator.com 123-123-1234
	COBRA	Freddy, Frightened	HR Nashville, TN	frightened.freddy123@mailinator.com 123-123-1231
	COBRA	Screamer, Sally	HR nashville, TN	sally.screamer123@mailinator.com 123-123-1231
	COBRA	Weirdo, Willy	HR nashville, TN	willy.weirdo123@mailinator.com 123-123-1231
	COBRA	Password, No	Test NASHVILLE, TN	no.password123@mailinator.com 123-123-1231
	Enrolled	Somethin, Sully	HR Adsg, TN	sully.somethin123@mailinator.com 123-123-1231
	Enrolled	Sam, Spooky	HR nashville, TN	spooky.sam123@mailinator.com 123-123-1211
	Enrolled	Spook, Sal	HR nashville, TN	sal.spook123@mailinator.com 123-123-1231

Future COBRA enrollees

Check your list of 'termination reasons' in BerniePortal and make sure you're categorizing terminations in a way that makes it clear who qualifies for the COBRA subsidy.

One easy way to do this is to add these three termination reasons in BerniePortal. Simply click "Add a Reason" above the list to create these new options:

1. Voluntary Resignation
2. Involuntary - For Cause
3. Involuntary - Gross Misconduct

Future COBRA enrollees

HOMEEMPLOYEESREPORTSBENEFITSONBOARDING1094C/1095CAPPLICANT TRACKINGCOMPLIANCE...

Monsters Inc.PlansSubgroupsOpen enrollmentBillsSettings

Dependent attestationOFF

Confirmation & Authorization

Termination reasons

PDFs

Benefit Admins

Email

Ask why waived health coverageON

ADD A REASON

	ELIGIBLE FOR COBRA / MINI COBRA?
Resignation	<input checked="" type="checkbox"/>
For Cause	<input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>

Simply click “Add a Reason” above the list to create these new options:

1. Voluntary Resignation
2. Involuntary - For Cause
3. Involuntary - Gross Misconduct

Past

Run a **termination date report** in BerniePortal to get a list of everyone terminated starting in November 2019.

The screenshot shows the BerniePortal interface with a sidebar on the left containing various menu items: HOME, EMPLOYEES, REPORTS, BENEFITS, ONBOARDING, and a user ID 10940. The sidebar also lists several options for Monsters Inc., including Termination dates (highlighted), Eligibility, Carrier Forms, Election PDFs, Billing, I-9 Forms, Onboarding, Paid time off (PTO), Time & Attendance, Applicant Tracking, Payroll - Time & PTO, COBRA - Remittance, and COBRA - Paid Thru. The main content area displays a modal window titled 'Generate a Termination Date Report' with a close button (X). The modal contains two sections: 'Subgroups' and 'Dependent Info'. The 'Subgroups' section has a list of checkboxes, all of which are checked: All Subgroups, 4 New Benefit Types, All Employees, COBRA, Extended COBRA, New COBRA, New COBRA 2, Other Employees, Unum Eligible, and Voluntary Life Approaches. The 'Dependent Info' section has two radio buttons: 'Include' (selected) and 'Exclude'. Below these sections is a 'Date Range' section with two input fields: 'November 2019' and 'March 2021', separated by the word 'to'. At the bottom of the modal is a 'Send Report To:' section with a text input field containing the email address 'ryan.mccostlin@bernardhealth.com'. A blue button labeled 'GENERATE & SEND' is located at the bottom of the modal.

HOME EMPLOYEES REPORTS BENEFITS ONBOARDING 10940

Monsters Inc.

Termination dates

Eligibility

Carrier Forms

Election PDFs

Billing

I-9 Forms

Onboarding

Paid time off (PTO)

Time & Attendance

Applicant Tracking

Payroll - Time & PTO

COBRA - Remittance

COBRA - Paid Thru

Generate a Termination Date Report

Subgroups:

- ☒ All Subgroups
- ☒ 4 New Benefit Types
- ☒ All Employees
- ☒ COBRA
- ☒ Extended COBRA
- ☒ New COBRA
- ☒ New COBRA 2
- ☒ Other Employees
- ☒ Unum Eligible
- ☒ Voluntary Life Approaches

Dependent Info:

☒ Include

☐ Exclude

Date Range:

November 2019 to March 2021

Send Report To:

ryan.mccostlin@bernardhealth.com

GENERATE & SEND

Past

Identify who on that termination date report was terminated involuntarily, but not for gross misconduct.

report-termination-dates-only-sheet-181316-03-26-2021-10-36-28									
Personal Info									
	First name	Last Name	Benefits Subgroup	Social Security N	Employee SSN	Termination Time	Last day of work	Reason	Termination
Employee	Frightened	Freddy	Other Employees	111111111	111111111	08/10/2020	8-10-2020	Resignation	Mon
Employee	Lengty	Larry	All Employees	343434343	343434343	03/09/2020	5-1-2020	Resignation	Mon
Employee	Jimbo	Striker	All Employees	123321111	123321111	01/07/2020	4-2-2020	Resignation	Mon
Employee	Never	Nelly	All Employees	545454545	545454545	03/26/2020	3-26-2020	For Cause	Mon
Employee	Scary	Sam	All Employees	321115600	321115600	03/26/2020	3-26-2020	For Cause	Mon
Employee	Devilish	Danny	All Employees	543552123	543552123	03/17/2021	3-17-2021	Resignation	Mon
Employee	Chris	Riddle	All Employees	433333333	433333333	01/28/2020	3-11-2020	For Cause	Mon
Employee	Micah	Mockasin	All Employees	555555555	555555555	02/15/2021	2-16-2021	For Cause	Mon
Employee	Pink	Pilgrim	All Employees	321223453	321223453	02/13/2020	2-13-2020	For Cause	Mon
Employee	Chris	Thompson	All Employees	335353555	335353555	12/09/2019	12-9-2019	Resignation	Mon
Employee	Krazy	Kris	All Employees	421443567	421443567	12/03/2019	12-3-2019	Resignation	Mon
Employee	Lengty	Larry	New COBRA	343434343	343434343	12/15/2020	12-15-2020	Requested term	Trap
Employee	Wanda	Witch	Unum Eligible	111111111	111111111	11/19/2020	10-31-2020	Resignation	Mon
Employee	Matty	Monster	COBRA	111111111	111111111	10/26/2020	10-26-2020	Resignation	Mon
Employee	Chris	Thompson	New COBRA	335353555	335353555	01/06/2020	1-6-2020	Coverage period expired	Trap
Employee	No	Password	All Employees	444444444	444444444	01/22/2020	1-22-2020	Resignation	Mon
Employee	Timmy	Terror	New COBRA	555555555	555555555	01/20/2020	1-21-2020	Coverage period expired	Trap
Employee	Simply	LTD	All Employees	312335678	312335678	01/20/2020	1-20-2020	For Cause	Mon

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Q&A
