

The New COBRA Subsidies: Are You Ready?

Posted in Alert on March 26, 2021

Under the American Rescue Plan Act of 2021 (ARPA), certain individuals eligible to elect COBRA continuation coverage may be entitled to free COBRA for the period from April 1, 2021 through September 30, 2021. These individuals, known as Assistance Eligible Individuals (AEIs), can have their COBRA premiums for that period paid by their employer, which then receives a Medicare tax credit to offset the cost of the premiums. The ARPA includes requirements for special notices that must be provided by employers and COBRA administrators, and even allows individuals who previously chose not to enroll in COBRA a second chance to gain no-cost COBRA coverage. These COBRA subsidies may be available to individuals whose COBRA qualifying event occurred as far back as 2019, and even if they never elected COBRA coverage.

For more information regarding this complicated new law, please contact [Chris Crevasse](#) or any other member of the Miller & Martin [Labor & Employment Practice Group](#).