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HEALTH CARE REFORM

Eye on Washington

COBRA MODEL ELECTION NOTICE MODIFIED

Background

As noted in a previous *Eye on Washington* released on May 10, the U.S. Department of Labor (DOL) issued Technical Release 2013-02 (TR 2013-02). It provides guidance regarding the obligation created under the Affordable Care Act (ACA) requiring employers to provide a notice to their employees, advising them of the coverage options available through the Health Insurance Exchange (or "Marketplace"), as it is referred to in TR-2013-02. As part of its TR 2013-02 guidance, the DOL has also provided an updated model COBRA election notice that reflects changes necessitated by the ACA and the expiration of the Health Care Tax Credit Program under the Trade Assistance Act.

In general, employers subject to COBRA are required to provide a "COBRA Election Notice" to covered employees (and their spouses and dependents) upon the occurrence of a qualifying event, which entitles them to elect continuation coverage pursuant to COBRA. Under the ACA, starting in 2014, individuals will be able to purchase health coverage through state or federally facilitated Health Insurance Marketplaces. Individuals will be afforded an opportunity to enroll in coverage through a Marketplace beginning October 1, 2013 for a January 1, 2014 effective date.

Recognizing that a Marketplace will provide another option to COBRA-qualified beneficiaries, TR 2013-02 also provides an updated COBRA Election Notice that includes revisions reflecting these choices and the availability of subsidies in the Marketplace for eligible individuals. The updated COBRA Election Notice also reflects changes mandated by the ACA's prohibition on preexisting condition exclusions and eliminates the prior model language relating to the Health Coverage Tax Credit, which will expire as of January 1, 2014.

Although TR 2013-02 did not provide a date by which the updated model COBRA election notice must be utilized, ADP® will be utilizing the language in the updated model election notice in a timely manner to appropriately notify COBRA-qualified beneficiaries of their coverage options under the Marketplace. The DOL has not issued a revised model regarding the general COBRA notice at this time.

For a copy of a "clean" revised model notice, please click on the link provided below.

[COBRA Model Election Notice](#)

For a copy of a "redline" version of the revised model notice showing the changes to the current model notice, please click on the link provided below.

[Redline Version](#)

ADP Compliance Resources

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