



DOL Issues Clarifying FAQs Regarding ARPA

On April 7, 2021, the U.S. Department of Labor (DOL) released Frequently Asked Questions (FAQ) and model notices to implement the COBRA subsidy provisions in the American Rescue Plan Act of 2021 (ARPA).

The FAQ guidance address a number of the questions that employers have been asking since ARPA was signed into law. Specifically, the guidance clarifies:

- The subsidy applies to persons who have lost coverage due to either a reduction in hours or an involuntary termination. The termination must be involuntary in order for the individual to qualify for the subsidy. The reduction in hours (Qualifying Event) does not have to have been involuntary.
- Persons whose employment was terminated for gross misconduct are not eligible for the subsidy.
- Assistance Eligible Individuals (AEIs) who have individual coverage, either obtained through a health insurance marketplace or Medicaid, are eligible for subsidized coverage. However, those who elect to enroll in COBRA continuation coverage with premium assistance will no longer be eligible for a premium tax credit, advance payments of the premium tax credit, or the health insurance tax credit for their health coverage during that period.
- The amount of the subsidy includes any administrative fees associated with the COBRA premium.
- AEIs that misrepresent their eligibility for other coverages may be subject to fines, the greater of \$250 or 110% of the premium subsidy.

The complete FAQ guidance, model notices, and other information can be found at <https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/cobra/premium-subsidy>.

Links:

- FAQs: [COBRA Premium Assistance under the American Rescue Plan Act of 2021 FAQs](#)
- Model General Notice and COBRA Continuation Coverage Election Notice: [MS Word](#) | [PDF](#)
- Model Notice in Connection with Extended Election Period: [MS Word](#) | [PDF](#)
- Model Alternative Notice: [MS Word](#) | [PDF](#)
- Model Notice of Expiration of Premium Assistance: [MS Word](#) | [PDF](#)
- Summary of COBRA Premium Assistance Provisions under the American Rescue Plan Act of 2021: [MS Word](#) | [PDF](#)
- [AssuredPartners Blog Post](#)

For more information, contact huntvalley@assuredpartners.com. The information contained in this post, and any attachments, is not intended and should not be misconstrued as legal advice. You should contact your employment, benefits or ERISA attorney for legal direction.

AssuredPartners' webinar and website resources are designed for U.S.-based organizations. Our privacy and GDPR policy should be reviewed [here](#). Please opt-out if you do not agree to these terms and conditions.

