

# COBRA Quick-Start Guide



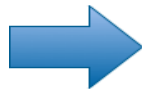
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## Plan Coverage



- Group health plans maintained by employers with **20 or more employees** on more than 50% of its typical business days in the previous calendar year.
- Each part-time employee counts as a fraction of a full-time employee, equal to the number of hours the part-time employee worked divided by the hours an employee must work to be considered full-time.

## Qualified Beneficiaries



- An individual covered by a group health plan on the day before a qualifying event, who is either:
  - An employee;
  - The employee's spouse (including legally married same-sex spouses);
  - The employee's dependent child; or
  - The employee's former spouse.
- Any child born to or placed for adoption with a covered employee during the period of COBRA coverage

In certain cases, a retired employee (and such employee's spouse and dependent children), as well as an employer's agents, independent contractors, and directors who participate in the group health plan may also be qualified beneficiaries.

## Qualifying Events



- **An event is a qualifying event only if it would cause the qualified beneficiary to lose coverage under the plan.** The type of qualifying event determines who the qualified beneficiaries are and the amount of time the plan must offer health coverage to them under COBRA.
- **For employee/spouse/dependent child:**
  - Termination of covered employee's employment (other than for [gross misconduct](#))
  - Reduction in hours worked by the covered employee
- **For spouse/dependent child only:**
  - Covered employee becoming entitled to Medicare
  - Divorce or legal separation of the covered employee
  - Death of the covered employee
- **For dependent child only:**
  - Loss of dependent child status under the plan rules

**Note:** This guide provides a general overview of qualifying events under COBRA and is not a comprehensive summary. [An Employer's Guide to COBRA](#) has more information. Be sure to also review the law in [your state](#) for applicable "mini-COBRA" requirements (including for companies with fewer than 20 employees). If you have any questions regarding your obligations, please consult an employment law attorney.

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## DURATION OF COBRA CONTINUATION COVERAGE

Once a qualifying event has taken place, it is important to understand the duration of the continuation coverage. The duration is based on the qualifying event, as well as the qualified beneficiaries entitled to be covered by COBRA. The following chart provides a quick summary of how long coverage may continue under COBRA.

Qualified Beneficiary	Qualifying Event	Maximum Period of Continuation Coverage
Employee Spouse Dependent child	Termination (except for <a href="#">gross misconduct</a> ) Reduced hours	18 months*
Spouse Dependent child	Employee entitled to Medicare Divorce or legal separation Death of covered employee	36 months
Dependent child	Loss of dependent child status	36 months

*\*There are [two circumstances](#) in which individuals who are entitled only to an 18-month maximum period of COBRA can become entitled to an extension of continuation coverage—when a second qualifying event occurs **or** when a qualified beneficiary is determined by the Social Security Administration to be disabled. The plan rules should describe the notice required in either instance for the qualified beneficiary to extend COBRA coverage.*

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## Second Qualifying Event—Up to 36 Months of COBRA

An 18-month extension may be available to qualified beneficiaries (for a total maximum period of **36 months** of continuation coverage) if a second qualifying event occurs. The second event can be a second qualifying event only if it would have caused the qualified beneficiary to lose coverage under the plan in the absence of the first qualifying event. Second qualifying events include:

- Death of the covered employee;
- Divorce or legal separation of the covered employee and spouse;
- Medicare entitlement (under part A, part B, or both); and
- Loss of dependent child status under the plan.

## Disability—Up to 29 Months of COBRA

If one of the qualified beneficiaries in a family becomes disabled either before becoming eligible for COBRA continuation coverage or within the first 60 days of being covered by COBRA continuation coverage, all of the qualified beneficiaries in that family may be entitled to an 11-month extension (for a total maximum period of **29 months** of continuation coverage). To qualify for a disability extension:

- The disabled qualified beneficiary must be determined by the Social Security Administration (SSA) to be disabled at some time during the first 60 days of COBRA continuation coverage; and
- The disability must continue during the rest of the initial 18-month period of COBRA coverage.

The right to a disability extension may be terminated if the SSA determines the qualified beneficiary is no longer disabled, and the plan can require the individual to provide notice when such a determination is made.

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