

Community Services of Northeast Texas, Inc.

Personnel Policies & Procedures

313 Benefits Continuation (COBRA)

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In 1986, Congress passed the landmark Consolidated Omnibus Budget Reconciliation Act (COBRA) health benefit provisions. The law amends the Employee Retirement Income Security Act, the Internal Revenue Code and the Public Health Service Act to provide continuation of group health coverage that otherwise might be terminated.

COBRA provides certain former employees, retirees, spouses, former spouses, and dependent children the right to temporary continuation of health coverage at group rates. This coverage, however, is only available when coverage is lost due to certain specific events.

To be eligible for COBRA coverage, you must have been enrolled in your employer's health plan when you worked and the health plan must continue to be in effect for active employees. COBRA continuation coverage is available upon the occurrence of a qualifying event that would, except for the COBRA continuation coverage, cause an individual to lose his or her health care coverage.

~~The stimulus package, which was enacted as the American Recovery and Reinvestment Act of 2009 (ARRA) temporarily reduces the premium for COBRA coverage for eligible individuals. COBRA allows certain people to extend employer-provided group health coverage, if they would otherwise lose the coverage due to certain events such as divorce or loss of a job.~~

~~Individuals who are eligible for COBRA coverage because of their own or a family member's involuntary termination from employment that occurred from September 1, 2008 through December 31, 2009 and who elect COBRA, may be eligible to pay a reduced premium. Eligible individuals pay only 35% of the full COBRA premiums under their plans for up to 9 months.~~

Under COBRA, the eligible employee who voluntarily resigns pays the full cost of coverage at the Agency group rates. Community Services provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under Community Services' insurance plan. The notice contains important information about the employee's rights and obligations.

~~As of the date of this revision information was available at the following website: www.dol.gov/COBRA~~