



Memorandum

To: Qualified Beneficiaries

In accordance with ERISA Section 518, the DOL and the IRS jointly issued guidance (“Joint Guidance”) that directs group health plans to disregard the period between March 1, 2020, and 60 days after the announced end of the COVID-19 National Emergency (the “Relief Period”) when calculating certain plan related time periods described below. Consequently, the application of the Joint Guidance means that (i) any of the following time periods that began before March 1 but did not expire prior to March 1 are tolled until the end of the Relief Period, and (ii) the start date of any of the following time periods that would otherwise begin on or after March 1 is postponed until the end of the Relief Period:

-) The qualified beneficiary’s 60-day period to elect COBRA;*
-) The plan’s 14-day period for sending COBRA election notices;*
-) The 45-day period (initial premium) and 30-day (subsequent premiums) grace period for qualified beneficiary’s to make COBRA premium payments. The Joint Guidance indicates that plans and insurers may not deny coverage based solely on late payment of premiums but may make benefit payments retroactively once premiums are paid;*
-) The qualified beneficiary’s 60-day period to notify the COBRA administrator of a qualifying event (or 2nd qualified event) or a qualified beneficiary’s determination of disability;*
-) The 30 (or 60) day time period to request special enrollment in a group health plan.*

Example 1: On March 1st, Sam’s COBRA premium payment is due to the COBRA administrator. Under the new law, the premium is now due 30 days past the relief period end date. However, if payment is not made timely, there may be a temporary denial of coverage until payment is made and updated. To avoid a large balloon payment, we recommend that you continue to make payments as timely as possible.

Example 2: On March 31st, Patsy receives her COBRA election form (Special Rights Notice). The last day to elect is May 31, 2020, as printed on the election form. Under the new law, Patsy has 60 days from the end of the relief period to make her COBRA election and 45 days from her election date to may her initial payment. However, she will remit a large balloon payment for coverage under this example to have her COBRA coverage enacted and claims reviewed.

***Please note, TaxSaver Plan is not an insurer and cannot guarantee payment of claims as the COBRA administrator.**

****The dates printed on the communication included in this mailing reflect the standard COBRA operating guidelines.** For specific questions related to your personal situation, please contact TaxSaver Plan.