



HR Updates

by Insurance Marketing Center

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Disregarded Periods to Elect and Pay for COBRA Generally Run Concurrently

IRS [Notice 2021-58](#) clarifies the application of certain COBRA deadline extensions for **electing COBRA coverage** and **paying COBRA premiums** under prior relief that was issued as a result of the COVID-19 outbreak (“Emergency Relief”). Under the Emergency Relief, up to one year must be disregarded in determining the due dates for individuals to elect COBRA coverage and pay COBRA premiums during the Outbreak Period (i.e., 60 days after the announced end of the National Emergency).

Notice 2021-58 clarifies that the disregarded periods to elect COBRA coverage and make initial and subsequent COBRA premium payments **generally run concurrently**. The guidance provides the following rules to illustrate the applicable time frames:

- If an individual elected COBRA coverage within the initial 60-day COBRA election time frame, they will have **one year and 45 days after the date of the election** to make their initial COBRA premium payment.
- If an individual elected COBRA coverage outside of the initial 60-day COBRA election time frame, they generally will have **one year and**

105 days after the date the COBRA notice was provided to make the initial COBRA premium payment (subject to transition relief).

The guidance also addresses the interaction of the Emergency Relief with the COBRA subsidies that were made available for certain eligible individuals under the American Rescue Plan Act (ARPA). Comprehensive examples to illustrate how COBRA elections and premium payments are treated under Notice 2021-58, including how to apply the ARPA premium subsidies, are also provided.

HR News Alerts provided by:

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