




Second COBRA notice

COBRA
2024

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Important information

- This overview is not meant to serve as a comprehensive description of the insurance benefits offered by PEBA.
- More information can be found in the following:
 - [Benefits Administrator Manual](#); and
 - [Insurance Benefits Guide](#).
- The plan of benefits documents, certificates of coverage and benefits contracts contain complete descriptions of the insurance benefits offered by or through PEBA. Their terms and conditions govern all of these benefits.

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Second COBRA notice

- Advises individuals of their rights and responsibilities to continue coverage under COBRA.
- Explains procedures for electing coverage.
- [COBRA sample 18-month instruction sheet and notification letter](#).
- [COBRA sample 36-month instruction sheet and notification letter](#).
 - Qualified beneficiary must report event to COBRA administrator on the [Notice of COBRA Qualifying Event](#).
- Include [COBRA Notice of Election](#) form.
- Include copy of current [COBRA premiums](#).

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18-month qualifying events

- Termination of employment.
- Transfer to another employer offering PEBA insurance coverage.
- Retirement.
- Reduction in hours (not in a stability period or no longer eligible at the end of the Initial or Standard Stability period).
- If employee is terminated due to gross misconduct, ask your legal counsel before offering COBRA.
 - If employee is determined to be ineligible for COBRA, qualified beneficiaries are also ineligible for COBRA.

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Unpaid leave or reduction of hours

- If employee is not within a stability period, is no longer eligible for coverage at the end of a stability period or on protected leave, a reduction of hours (below 30 hours per week) makes the employee ineligible for insurance benefits.
- Employer should terminate coverage due to no longer being eligible for insurance benefits and offer COBRA.

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36-month qualifying events

- Divorce or legal separation.¹
- A surviving spouse remarries.
 - If surviving spouse has been on survivor coverage less than 36 months from the COBRA event (employee/retiree death), spouse can continue COBRA coverage for up to 36 months from COBRA qualifying event.
 - If surviving spouse has been on coverage more than 36 months, do not offer COBRA.
- Child loses eligibility as dependent.
- Death of employee or retiree.
- Employees and their dependents who lose eligibility due to military leave.

¹Only in jurisdictions that recognize legal separation; South Carolina does not.

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60-day notification rule

- In cases of divorce or if a child ceases to qualify as an eligible dependent, the Plan must be notified within 60 days after:
 - The date of the qualifying event; or
 - The date the dependent would lose coverage on account of the qualifying event, whichever is later.
- After Day 60, the dependent is no longer eligible for COBRA coverage. Employer should complete *COBRA Ineligibility Form for Dependents* and place in employee's file.
- Qualified beneficiary must report event to COBRA administrator on the [Notice of COBRA Qualifying Event](#).

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Military leave

- Continue coverage:
 - Send nothing to PEBA.
 - Obtain written permission from employee to continue coverage and bill for premiums.
 - Provide [Your insurance benefits when your hours are reduced](#) notice.
- Cancel coverage:
 - Complete [Active Termination Form](#).
 - Attach a copy of military orders.
 - Provide [Your insurance benefits when your hours are reduced](#) notice.
 - Offer 36 months of COBRA and conversion information, if applicable.

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When to send COBRA 18-month notice

- Must send notice to employee and qualified beneficiaries within 14 days of qualifying event.
- Subscriber may elect COBRA coverage within 60 days of:
 - Loss of coverage; or
 - COBRA notification, whichever is later.

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When to send COBRA 36-month notice

- Must send notice to qualified beneficiary within 14 days of qualifying event.
- Subscriber may elect COBRA coverage within 60 days of:
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 - COBRA notification, whichever is later.

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COBRA ineligibility

- Use [COBRA Ineligibility Form for Dependents](#) to determine if COBRA should be offered.
 - Former spouse.
 - Ineligible child.
- Retain documentation in employee's file.

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Example of COBRA ineligibility

- January 1, 2024: Spouse dropped from employee coverage during open enrollment (October 2023).
- February 20, 2024: Spouse reports they and employee have been divorced since November 19, 2023.
- Divorce reported outside of 60 days; therefore, do not offer COBRA. Spouse and employee did not comply with initial COBRA notice instructions.
- Retain ineligibility form in employee's file.

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Tips

- PEBA recommends mailing all notices.
- Retain complete copies of all notices.
- Important reminder on National Medical Support Notices:
 - Do not file copies of dependent notices in the employee's file. File these notices separately.
 - For more information about NMSN, view the *Insurance Benefits Training* at peba.sc.gov/insurance-training.

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Disclaimer

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