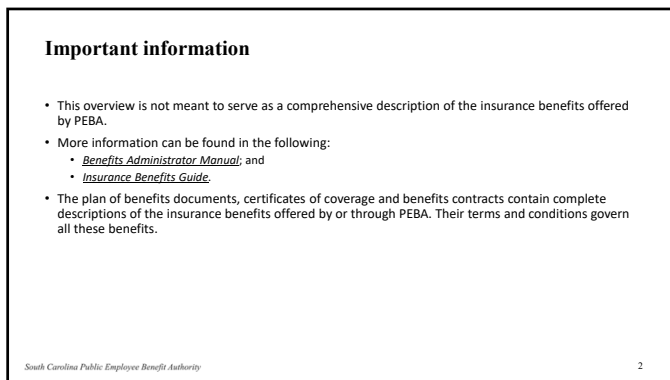
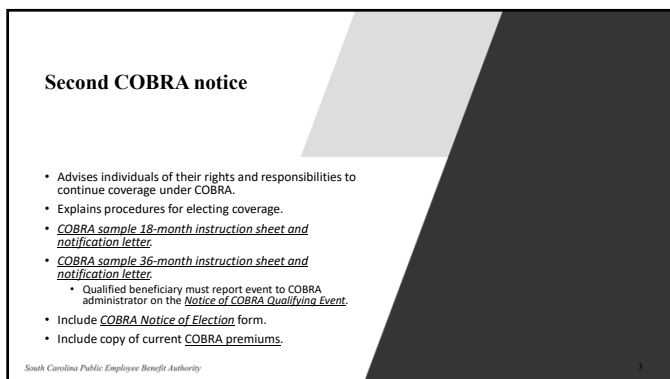


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18-month qualifying events

- 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 employee's/subscriber's share of 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 notices

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.

36-month notice

- Must send notice to qualified beneficiary 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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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, 2025:
Spouse dropped from employee coverage during open enrollment (October 2024).

February 20, 2025:
Spouse reports they and employee have been divorced since November 19, 2024.

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](https://peba.sc.gov/insurance-training) at peba.sc.gov/insurance-training.

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