




Events that extend COBRA coverage

COBRA
2022

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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 and benefits contracts contain complete descriptions of the health and dental plans and all other insurance benefits. Their terms and conditions govern all health benefits offered by or through PEBA.

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Type of qualifying events that extend coverage

- COBRA allows extended coverage for qualified beneficiaries who experience second qualifying events within the 18-month continuation period.
 - Approval for Social Security disability (29 months).
 - Death of the former employee.
 - Divorce from former employee.
 - Dependent child no longer eligible as dependent.

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Qualifying events

- Must occur within 18-month or 29-month coverage period.
- Must be reported within 60 days of the second qualifying event.
- Qualified beneficiary must report event to COBRA administrator on the Notice to Extend COBRA Continuation Coverage.
- Never extend coverage beyond 36 months from original COBRA eligibility date.

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Qualifying events to extend coverage to 29 months

- 18-month coverage extends if qualified beneficiary is approved for Social Security disability benefits.
- The qualified beneficiary must:
 - Be approved for disability by Social Security Administration within initial 18-month COBRA period; or
 - Be disabled at time of qualifying event or during first 60 days of COBRA coverage.

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Qualifying events to extend coverage to 29 months

- The qualified beneficiary must also report to PEBA within 60 days of:
 - The date of Social Security's Disability Determination Notification;
 - The date of the qualifying event;
 - The date on which the qualified beneficiary is informed of the responsibility to notify the Plan of the disability determination; or
 - The date the qualified beneficiary lost coverage or would lose coverage because of the qualifying event, whichever date occurs the latest.

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Qualifying event example

- Employee leaves employment on April 30, 2022, and elects COBRA for himself and his spouse.
 - Both are qualified beneficiaries.
- Employee and spouse have child on June 9, 2022.
 - The newborn (qualified beneficiary) may be added to COBRA within 31 days of birth.
- Social Security Administration deems the child disabled since birth.
 - COBRA coverage extended to 29 months from the original COBRA effective date for all qualified beneficiaries.

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Qualifying events to extend 18 months to 36 months

- A second qualifying event may occur during the 18- or 29-month period of coverage, and coverage may be extended to 36 months.
 - Death of former employee.
 - Divorce or legal separation from former employee.¹
 - Dependent child's loss of eligibility.

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

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Qualifying event example

- Employee leaves employment on July 31, 2022, and elects COBRA for himself and his child.
 - Both former employee and child are qualified beneficiaries.
- The child turns age 26.
 - The child is no longer eligible as dependent on former employee's COBRA.
 - The child is eligible for extension of COBRA ending 36 months from initial COBRA effective date.

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Medicare entitlement rule

- If covered employee became eligible for Medicare within 18 months before his employment ended or his hours were reduced, the maximum period of COBRA coverage for his covered dependents is 36 months after the covered employee became eligible for Medicare.

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Medicare entitlement rule example

01.01.2022 18 months before termination

01.01.2023 Employee gains Medicare

07.01.2023 Employee and spouse become eligible for COBRA

01.01.2025 Employee's COBRA ends (18 months)

01.01.2026 Spouse's COBRA ends 36 months after employee's Medicare eligibility (30 months)

18-month COBRA period

Additional coverage months for spouse

Spouse eligible for 36 months from Medicare eligibility

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