

# COBRA

## What is COBRA Coverage?

The Consolidated Omnibus Budget Reconciliation Act (COBRA) gives workers and their families who lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances such as voluntary or involuntary job loss, reduction in the hours worked, transition between jobs, death, divorce, and other life events. Qualified individuals may be required to pay the entire premium for coverage up to 102% of the cost to the plan.

## Who is Eligible for COBRA?

There are three elements to qualify for COBRA benefits. COBRA establishes specific criteria for plans, qualified beneficiaries and qualifying events:

### Criteria for COBRA to be Available

Plan Coverage	Qualified Beneficiaries	Qualifying Events
<ul style="list-style-type: none"> <li>Employer-sponsored group health plan</li> <li>Private Sector Employers with the equivalent of 20 or more full-time workers</li> <li>State or Local Government Employers</li> </ul>	Individuals covered by group plan on the day before a qualifying event	<p>For Employees:</p> <ul style="list-style-type: none"> <li>Termination of employment for reasons other than gross misconduct</li> <li>Reduction in the number of hours of employment</li> </ul> <p>For Spouses: The above and:</p> <ul style="list-style-type: none"> <li>Covered employee becoming entitled to Medicare</li> <li>Divorce or legal separation of the covered employee</li> <li>Death of the covered employee</li> </ul> <p>For Dependent Children: The above and:</p> <ul style="list-style-type: none"> <li>Loss of dependent child status under plan rules</li> </ul>

## Who CAN'T Get COBRA Continuation Coverage?

The federal COBRA requirement does not apply if your former employer had fewer than 20 employees. If your employer no longer offers a health plan or went out of business completely, there is no option for you to continue coverage. In addition, church-based plans do not have to provide COBRA. You cannot get COBRA if you were fired for "gross misconduct."

## How do I Elect COBRA Continuation Coverage?

If you are eligible for COBRA, you will receive a notice of your COBRA rights from either your former employer or your health plan. (Depending on your employer and health plan, it might take up to 44 days after you lose your job for this notice to be sent.) Your right to enroll in COBRA lasts for 60 days after you receive the notice. Once you enroll, you have to pay premiums back to the date that your employer stopped paying them. If you don't act within 60 days, you lose your COBRA rights.

For more information regarding COBRA call:  
**1-866-444-3272**

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## What about Replacing COBRA with Coverage from the Affordable Care Act Marketplace?

Outside Open Enrollment, your choices will depend on whether your COBRA coverage is running out or you're ending it early.

- If your COBRA coverage is ending outside of an Open Enrollment period, you qualify for a special enrollment period. This means you can enroll in a private health plan through the Marketplace. You may qualify for tax credits that can lower your monthly premiums and for lower out-of-pocket costs. This will depend on your household size and income.
- If you're ending your COBRA coverage early outside Open Enrollment, you will not be able to enroll in a Marketplace plan at all, with or without lower costs.
- During an Open Enrollment period you can drop your COBRA coverage and get a plan through the Marketplace instead. This is true even if your COBRA coverage hasn't run out.

If you're planning to replace your COBRA coverage, it's important not to let your COBRA coverage end before your Marketplace plan starts. Otherwise, there will be a gap in your coverage. Visit [www.healthcare.gov](http://www.healthcare.gov) to learn more about using the Marketplace. More information specific to COBRA can be found here: <https://www.healthcare.gov/what-if-i-currently-have-cobra-coverage/>

### Where to Get More Information:

Your former employer (the human resources/personnel or benefits department) is required to tell you about your COBRA rights. To learn more about your rights to continue coverage, visit the U.S. Department of Labor's web page about COBRA at <http://www.dol.gov/dol/topic/health-plans/cobra.htm>. You can find other information about benefits after job loss at <https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/publications/protecting-retirement-and-health-benefits-after-job-loss.pdf>. Call the Employee Benefits Security Administration's assistance and benefits advising hotline toll-free at **1-866-444-3272** for a referral to the best place to answer your questions.

Programs and systems change often. It is important to ensure that you are using the most current information. This fact sheet was updated March 2023. Please check <https://www.inf2f.org/fact-sheets.html> for the most recent edition.

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