

ARPA COBRA Subsidy - Update from ABG

6/9/2021

Where does the time go!?! It feels like just yesterday the American Rescue Plan Act was enacted, and as of today we have thousands marked as AEI eligible, and hundreds who have already received their ARPA forms, and have enrolled. We want to thank you all for your continued efforts to keep up to date with ARPA items, and for our amazing COBRA Support Team who have been working hard to keep up to date and help you all as quickly as possible.

KEY TAKEAWAYS:

- **THE MAY REMITTANCE NORMALLY PROCESSED ON 6/10 WILL BE PROCESSED ON 6/15/2021**
- Remittance Report updates coming 6/10/2021 to continue to support ARPA Administration
- Employers must continue to update the AEI status for any new QBs. ABG recommends doing so on a weekly or bi-weekly basis using the same AEI 2021 utility, though you can update individual records manually.
- Invoicing for ARPA Letters will begin this month
- Review important information on the [Member Experience](#) enrolling in the subsidy
- ***Reminder* some QBs marked as ineligible will still have been sent AEI letters as required by ARPA, if their first day of COBRA was 4/1/2021**

UPDATE ON AEI LETTERS

- All AEIs currently in the system have been sent the required notifications. The majority of these were mailed by 5/31/2021 as required, including many that were entered after the 5/7 deadline, even up through the week of 5/24! A big thank you to our vendor and processing center partners for making these mailings happen on time.
- Going forward AEI letters will be included in the normal nightly processing.
 - This means if an AEI is updated to eligible today and requires a separate ARPA letter, that notice will be mailed the next business day.
- For a list of AEI letters sent Employers can run the Generated Letter Detail Report under 'Standard Reports'. We recommend running this report with a date range of 5/11-present to be sure it encompasses all AEI letters sent to date.
- ***REMINDER*** Many have inquired on why some QBs who are marked as 'ineligible' still received ARPA information. ARPA requires that QBs with a first day of COBRA between 4/1-9/30 be informed of ARPA. As a result, anyone with a first day of COBRA 4/1 or later was sent this information as required, even if marked as ineligible. Please refer to the [5/19/2021 communication](#) for clarification on what notices were sent to which individuals.
 - **If they were added prior to 5/13/2021, a separate notice was sent. Employers will be charged for this notice.**
 - **If they were added 5/14/2021 or later, ARPA information was included in their Specific Rights Notice at no additional charge.**

UPDATE ON AEI STATUSES:

- At this time the AEI status will not be added to the file specifications. Even employers with weekly QB files should continue to update AEI statuses in the system.
- ABG recommends updating the AEI status on a weekly or bi-weekly basis using the same [AEI 2021 Utility](#) previously used for the initial updates.
 - This report can be downloaded as frequently as necessary and each time will list the current AEI status for all individuals as of the download.
 - If you filter the report to show only those with an AEI status of 'UNKNOWN', you can update only those individuals, save the report, and upload back into the portal.
 - The report once uploaded will only update individuals whose AEI status was changed.
 - **This process should be done on a weekly basis to capture and update any new QBs.**
- **Individuals with an AEI status of 'UNKNOWN' will not have the subsidy applied to their account, so it is important that employers continue to update these statuses to ensure new members who are eligible can have the subsidy applied.**
- Although subsidies are only applied to those who are eligible, ABG **strongly** recommends still identifying those who are ineligible. This enables our team to support your participants if we know the determination has been made already.
- The IRS Guidance provided clarification on the definition of reduction in hours and involuntary terminations for the purposes of ARPA only (see questions 21-34 of the IRS Guidance).
 - If after review of this guidance employers want to update an individual to be **eligible** or **ineligible** they may.
 - If an individual is changed from **ELIGIBLE to INELIGIBLE** or from **ELIGIBLE to UNKNOWN**, the individual will receive a Subsidy Denial Letter.
 - If an individual is changed from **INELIGIBLE to ELIGIBLE** or from **UNKNOWN to ELIGIBLE**, the individual will receive the required AEI letters.

UPDATE ON ATTESTATIONS

- The recent guidance from the IRS confirmed that Employers *can* (but are not required) to request that AEIs certify to their eligibility of the subsidy, and if used, that certification should be retained as documentation when claiming the tax credit. (See Questions 4-7 of the [IRS Guidance](#))
- **For Employers who have opted into the Attestation:**
 - Subsidies are not applied until the Attestation is completed, returned to ABG and processed.
 - ABG is saving a copy of all completed and returned Attestation Forms (and 2ND election forms).
 - These forms will be automatically forwarded to Employers beginning in August
 - If an Employer needs a copy of forms received to date before this time, they can request them from cobrasupport@amben.com (Please allow up to 5 business days for the forms to be retrieved and forwarded to you)
- **For Employers who have not opted into the Attestation:**
 - Subsidies are automatically applied to those marked "Eligible"
 - If a 2nd election is required, the subsidy is applied after the 2nd election is completed

- If a copy of a 2nd election form is needed, please request them from cobrasupport@amben.com. (Please allow up to 5 business days for the forms to be retrieved and forwarded to you)
- Be sure you have internal documentation supporting the eligibility of the subsidy for any participants the credit is claimed for.
- **We originally did not require an Attestation... can we now opt-in?**
 - Yes; however, a few things should be considered.
 - By activating this option on your account, the Attestation will be required for **all** members, including those previously sent AEI letters *without* the Attestation Form.
 - The attestation form will only be sent to new QBs on a go-forward basis
 - QBs previously sent the AEI letters without the Attestation will not be automatically sent an Attestation Form
 - If such an individual contacts our team, we are able to email them a copy of the form to complete.
 - ABG is looking into the option to identify those previously sent the AEI letter in the event to see if we can make an option available to do a separate mailing of the Attestation in this case. We will provide updates on this as we finalize what support we can provide.
 - Employers should consult with legal counsel on any implications of adding the attestation requirement, especially after the original 5/31 mailing deadline.
 - If after considering the above you would like to add the Attestation going forward, please complete and return the [Attestation Request Form](#).

REMITTANCE DATE CHANGE & REPORT UPDATES 6/10/2021

- To ensure the May remittance includes the appropriate AEI information, the Remittance will be processed on 6/15/2021 instead of 6/10/2021.
- The remittance report will now include several new indicators for the AEI subsidy:
 - **AEI SUBSIDIZED BOOKABLE ADMIN FEE GRAND TOTAL** – this will appear on the front page of your remittance report and indicate the total 2% administration fee that has been deducted from your remittance as a result of the ARPA subsidies.
 - **AEI SUBSIDY** – this will appear in the remittance table for each plan (to the right of the existing subsidy column) to easily identify when a premium is covered by the ARPA subsidy vs. an employer subsidy.
 - **AEI SUBSIDIZED BOOKABLE ADMIN FEE** – This will appear under both Client Division totals and Client Totals to reflect the total amount of the 2% admin fee being deducted from the remittance.
- **As a reminder regarding the remittance and the 2%**
 - The subsidy includes the 102% premium normally charged under COBRA.
 - The 2% administration fee will still be collected and retained by ABG.
 - The 2% administration fee will be deducted from the monthly remittance.
 - The ARPA Subsidy will be listed separately from an Employer subsidy on the Remittance.
 - **In the event that the monthly premium remittance for collected billed COBRA premiums is less than the 2% ABG COBRA billing fee for the subsidized COBRA premiums, ABG will debit the remaining billing administration fee from the client's designated bank account per the terms of the administrative service agreement. Please be sure to alert your bank to allow drafts from our company ID 9165530001.**
 - If the client does not have an ACH banking agreement in place and ABG sends the monthly premium remittance via check, any insufficient funds to cover the monthly 2% premium billing administration fee for subsidized COBRA premiums will be invoiced with the regular monthly COBRA administrative service fee

LINKS TO PREVIOUS COMMUNICATIONS:

- ABG ARPA Announcement - http://mycobraresource.com/cobra_documents/ABG_ARPA_Announcement.pdf
- 3/29/2021 Update - http://mycobraresource.com/cobra_documents/ARPA_UPDATE_MARCH_2021.pdf
- 4/5/2021 Update - http://mycobraresource.com/cobra_documents/ARPA_UPDATE_04052021.pdf
- 4/7/2021 Update (Model Notices) - http://mycobraresource.com/cobra_documents/ARPA_UPDATE_04072021.pdf
- 4/19/2021 Update - http://mycobraresource.com/cobra_documents/ARPA_UPDATE_04192021.pdf
- 4/22/2021 Update - http://mycobraresource.com/cobra_documents/ARPA_UPDATE_04222021.pdf
- 5/6/2021 Update - http://mycobraresource.com/cobra_documents/ARPA_UPDATE_05062021.pdf
- 5/10/2021 Update - http://mycobraresource.com/cobra_documents/ARPA_UPDATE_05102021.pdf
- 5/18/2021 Update (IRS Guidance) - http://mycobraresource.com/cobra_documents/ARPA_UPDATE_05182021.pdf
- 5/18/2021 Update - http://mycobraresource.com/cobra_documents/ARPA_UPDATE_05192021.pdf
- 6/1/2021 Update: http://mycobraresource.com/cobra_documents/ARPA_UPDATE_06012021.pdf
- FAQ: http://mycobraresource.com/cobra_documents/ABG_ARPA_COBRA_SUBSIDY_FAQ.pdf

This information has been provided as an informational resource for ABG clients and business partners. It is intended to provide general guidance, and is not intended to address specific risk scenarios. Regarding insurance coverage questions, each specific policy must be reviewed in its entirety to determine the extent, if any, of coverage available for the impact of the Coronavirus.