

The IRS today released additional guidance on the ARPA COBRA Premium subsidy. Notice 2021-46 can be accessed here: <https://www.irs.gov/pub/irs-drop/n-21-46.pdf>

The additional 11 questions address items including availability of the premium assistance to individuals eligible for an extension who had not elected it; whether premium assistance for vision or dental-only coverage ends due to eligibility for other health coverage that does not include vision or dental benefits; availability of premium assistance under a State statute that limits continuation coverage to government employees; whether employers may claim the premium assistance tax credit if the SHOP exchange requires employers to pay COBRA premiums and which party may claim the premium assistance tax credit in situations involving parties other than an insurer or former common law employer providing the COBRA coverage.

Most notable for most ABG clients will be the additional information available in questions 1 and 2. These questions confirm that:

- Premium assistance is available to Assistance Eligible Individuals who are entitled to certain extensions to Federal COBRA, but have not yet elected said extension (Q1)
- Premium assistance ends when an individual becomes eligible under any other disqualifying group health plan or Medicare, even if the other coverage does not include all of the benefits provided by the previously elected COBRA continuation coverage. (i.e. an individual receiving premium assistance for dental only or vision only coverage, would still have such premium assistance end upon eligibility for Medicare.) (Q2)

As always, ABG cannot provide legal advice. We encourage all employers to review this additional guidance in detail: <https://www.irs.gov/pub/irs-drop/n-21-46.pdf>. As this information was just released, ABG will continue to review in detail and will send additional communications should this Guidance impact any of our current processes.

COBRA Support | cobrasupport@amben.com | 499-3539, Option 3