



EXPERT UPDATE



DOL Releases Revised COBRA Election Notice



HENDERSON
BROTHERS

On May 8, 2013, the DOL released an updated model COBRA Election Notice. The notice has been revised to include basic information about the availability of other coverage in the new public Exchanges. These new Exchanges, which the DOL is now calling the “Health Insurance Marketplace” or “the Marketplace”, will be another option for COBRA qualified beneficiaries beginning January 1, 2014. For some consumers, especially those who have a modified adjusted gross income at or below 400% of the federal poverty level (FPL), the Marketplace options will provide greater value than what is offered in the COBRA plan. All consumers should carefully compare the Marketplace plans against their COBRA package, especially if they qualify for a significant premium tax credit in the public Exchange. COBRA will not go away as a result of health reform, but there will be fewer qualified beneficiaries who elect to continue coverage under the COBRA option.

We are suggesting that employers begin to use this new COBRA notice now even though the Marketplace will not be available until January 1, 2014.

Resource: <http://www.dol.gov/ebsa/cobra.html>

<http://www.dol.gov/ebsa/newsroom/tr13-02.html>

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