

# Memorandum

Date: August 18, 2021  
To: All Departmental Personnel Offices  
From: Lisa Hatten, Benefits Division  
Re: Temporary COBRA Subsidy Pandemic Relief Payment/Reimbursement Process

This communication serves as further guidance in the payment and reimbursement process for the temporary Consolidated Omnibus Budget Reconciliation Act (COBRA) subsidy pandemic relief under the American Rescue Plan Act (ARPA), in addition to the May 6, 2021, [memorandum](#).

## **COBRA Subsidy Premium Assistance**

Beginning April 1, 2021, through September 30, 2021, this temporary COBRA subsidy covers 100 percent of the assistance eligible individual (AEI) premium costs. During this subsidy period, the employer is responsible to pay an AEI's premiums and the employer will be reimbursed via tax credit for the amount of the COBRA premium subsidy.

## **Qualifying Events**

An AEI, as a qualified beneficiary, is eligible for the COBRA subsidy if they experience any of the following qualifying events:

- An involuntary termination of employment (other than for gross misconduct or a voluntary termination)
- Reduction in hours, which causes an individual to lose employer health, dental or vision plan eligibility **and**
- Elects COBRA continuation coverage

Please refer to the [ARPA Temporary COBRA Subsidy Pandemic Relief and Guidelines for Employee Benefit Plans](#) for additional information on how to determine eligibility.

## **How to remit premiums for AEIs**

Premium subsidy payments must be sent to the respective health, dental and vision carriers directly, along with the completed spreadsheet (Attachment 1) reporting each AEI for which payment is being submitted. Attachment 2 contains contact information for all carriers including remittance addresses for Attachment 1 and Payee Data Record (STD. 204) forms. Be sure to send any information via email securely

Please ensure the carriers have received the appropriate enrollment forms for any AEIs not previously enrolled in COBRA. Refer to Benefits Administration Manual section 417 for COBRA enrollment form processing instructions.

### **How to receive reimbursement for premium payments**

Departmental personnel offices must submit the following to CalHR at [COBRA@calhr.ca.gov](mailto:COBRA@calhr.ca.gov) in order to receive reimbursements:

- Attachment 1 – AEI Data for Carriers
- Attachment 3 – Department Reimbursement Request

CalHR will coordinate reimbursements via tax credit with the State Controller's Office (SCO). CalHR is requesting departmental personnel offices submit these spreadsheets by the following deadlines:

- August 25, 2021
- September 17, 2021
- October 15, 2021

SCO will issue reimbursements to departments within 30 business days of receipt.

### **Additional Resources**

Further information and resources are available, as well as FAQ's and Model Notices for Employers, on the [COBRA Premium Subsidy](#) page of the U.S. Department of Labor's website at [Dol.gov](http://Dol.gov).

### **Questions**

For questions about the temporary COBRA premium subsidy, please visit [Calhr.ca.gov](http://Calhr.ca.gov) or contact us at [COBRA@calhr.ca.gov](mailto:COBRA@calhr.ca.gov).

### **Attachments**

- Attachment 1 – AEI Data for Carriers
- Attachment 2 – Carrier Contact Information
- Attachment 3 – Department Reimbursement Request