



## **COMPLIANCE UPDATE:**

### **Department of Labor Releases Guidance on Continuation of Relief Deadlines**

The Department of Labor (DOL) has issued guidance on the temporary extension of the COVID-19-related relief for COBRA and HIPAA special enrollment deadlines.

On February 26, 2021, [Notice 2021-01](#) stated that the Outbreak Period will not expire on March 1, 2021. The Notice further states that the Outbreak Period is still ongoing, and clarifies that individuals will have plan deadline time periods paused until the earlier of:

- One year from the date an individual was first eligible for relief (on or after 3/1/20), OR
- 60 days after the announced end of the National Emergency (end of the Outbreak Period).

In no case will a disregarded period exceed one year.

This means that since the National Emergency is still ongoing, the determination of when the outbreak period ends will need to be calculated based on an individual's event, never to exceed one year. In this case, simply add one year to the date by which action was originally required to be taken, absent the outbreak period. This is the new date by which action must be taken.

### **Temporary Deadline Extensions**

COBRA administration must continue to adhere to the following deadline extensions. Here is an example to help illustrate the guidance provided:

#### **COBRA Election Timeframe:**

Molly's qualifying event date occurs on 5/1/20. In the absence of the Outbreak Period, she would have 60 days to elect COBRA, which is 6/30/20. Since the Outbreak Period is ongoing, she will have up to 6/30/21 to elect COBRA.

Remember that when the Outbreak Period ends, an individual's actionable deadline will be 60 days from the Outbreak Period end date, but will never exceed the one-year maximum extension.

## NCA's Response and Action Plan

The NCA team is continuing to monitor the situation for any additional changes. If our team is currently administering your COBRA benefits, **no action is required** on the part of the Employer or the Qualified Beneficiary to request these new timelines to be applied.

We do not anticipate many individuals taking advantage of these extended deadlines.

The NCA COBRA administration procedures have been updated to comply with the new deadlines:

- All required COBRA notices have been updated to reflect these timelines
- All Qualified Beneficiaries (QBs) who lost coverage **on or after March 1, 2020** will be sent a notice explaining the changes and extended deadlines
- This notice will include information with the alternative coverage options that are available to them (e.g.: Special Enrollment period through the Federal Exchanges is open through May 15<sup>th</sup>)

We realize that this new “individualized” or “event-by-event” application will add a lot of complexity to benefits administration. The DOL has acknowledged this, and has advised that plan sponsors (Employers) act in the best interest of plan participants. The Notice states that “in the case of plan fiduciaries that have acted in good faith and with reasonable diligence under the circumstances, the DOL’s approach to enforcement will be marked by an emphasis on compliance assistance, including allowance of grace periods and other relief.”

NCA will continue to process COBRA qualified beneficiaries through the Outbreak Period as normal, with the exception that we will accept election and payments within the allowed extension windows. Coverage will not expire until 30 days after the beneficiary has failed to make payment and can be reinstated back to the point of termination once payments are received.

We will continue to provide updates as new processes are implemented, and new changes arise.

Please call or email our team with any questions at: [info@ncabenefits.com](mailto:info@ncabenefits.com) or 800-677-6690.