

## Employer's COBRA Compliance Checklist

Could you defend your method of COBRA administration to an IRS agent or judge? Take this simple test.

Do you:

- Use written notifications, which have been reviewed by a competent ERISA attorney, to communicate with beneficiaries about COBRA rights? Do you update these notifications whenever COBRA law changes?
- Send each employee and dependent spouse an initial COBRA notification to his or her home address when first enrolled in your group health plan?
- Send a qualifying event notification to the home address of each qualified beneficiary whenever a COBRA qualifying event occurs?
- Know which events trigger the right to COBRA continuation coverage and which individuals may be entitled to that coverage?
- Know how to administer all of the new COBRA Medicare and disability extension rules?
- Know when administration fees must be reduced from the maximum of 150% to 102%?
- Grant mandated extensions of COBRA coverage to the appropriate beneficiaries within the legal time limits?
- Know under which circumstances termination of COBRA coverage is lawfully permitted?
- Notify qualified beneficiaries of conversion options during the required timeframe?
- Keep detailed records of all COBRA-related events? Do you retain copies of all notices sent, including information about the methods of delivery used? Do you keep accurate premium collection records?
- Stay on top of changes in the law as they occur?
- Have methods in place to maintain institutional memory when the individual responsible for administering COBRA leaves your employ?

If you answered NO to any of these questions, you are exposed to the risk of IRS and ERISA penalties, as well as costly civil lawsuits