



## Summary of the Continuation Premium Reduction Provisions under the American Rescue Plan Act of 2021

President Biden signed the American Rescue Plan Act (ARP) on March 11, 2021. This law subsidizes the full state continuation premium for “Assistance Eligible Individuals” for periods of coverage from April 1, 2021 through September 30, 2021. **Please note, you may be eligible for Wisconsin continuation coverage but not qualify as an assistance eligible individual due to ARP qualifying requirements for premium assistance.**

To be eligible for premium assistance, you:

- **MUST** have a continuation qualifying event that is a reduction in hours or an involuntary termination of a covered employee’s employment;
- **MUST** elect continuation coverage;
- **MUST NOT** be eligible for Medicare; AND
- **MUST NOT** be eligible for coverage under any other group health plan, such as a plan sponsored by a new employer or a spouse’s employer.\*

### • IMPORTANT •

- If you do not elect to receive the premium assistance within 30 days of receipt of this form, you may be ineligible for the premium assistance.
- If you elect continuation coverage with premium assistance, and then become eligible for:
  - Other group health plan coverage (not including coverage that is only excepted benefits (such as dental or vision coverage),
  - A Qualified Small Employer Health Reimbursement Arrangement,
  - A health flexible spending arrangement, or,
  - Medicare.

If any of the above occur, you **MUST** notify the employer and insurance company in writing. If you fail to provide this notice, you may be subject to a penalty of \$250 (or if the failure is fraudulent, the greater of \$250 or 110% of the premium assistance provided after termination of eligibility). You won’t be subject to the penalty if your failure to notify the plan is due to reasonable cause and not due to willful neglect.

\* This restriction does not include coverage under a plan that provides only excepted benefits, a qualified small employer health reimbursement arrangement, or coverage under a health flexible spending arrangement.

- Employers that don't satisfy continuation coverage requirements may be investigated by the Department of Labor and may be subject to an excise tax under the Internal Revenue Code.
- If you elect continuation coverage and are eligible for the premium assistance, you cannot claim the Health Coverage Tax Credit. You also cannot qualify for a premium tax credit to help pay for coverage through a Health Insurance Marketplace®<sup>1</sup>, such as on HealthCare.gov, for any months that you are enrolled in continuation coverage with or without the premium assistance.

For general information on your plan's continuation coverage, contact *[enter name of party responsible for continuation coverage, with telephone number and address]*. For specific information on your plan's administration of the ARP premium assistance or to notify the plan of your ineligibility to receive premium assistance, contact *[enter name of party responsible for ARP Premium Assistance administration for the Plan, with telephone number and address]*. For more information regarding ARP premium assistance and eligibility questions, visit: [dol.gov/cobra-subsidy](https://dol.gov/cobra-subsidy) or contact the Department of Labor at [askebsa.dol.gov](https://askebsa.dol.gov) or 1-866-444-EBSA (3272).

<sup>1</sup> Health Insurance Marketplace® is a registered service mark of the U.S. Department of Health & Human Services.