

## Federal Extension of Certain Time Frames Under Group Health Benefit Plans

Due to the coronavirus (COVID-19) pandemic, federal agencies have temporarily extended certain deadlines under group health benefit plans, including dental plans, disability and other plans subject to ERISA and the Internal Revenue Code, including HRAs and FSAs. The U.S. Department of Labor (DOL) and the IRS have issued a notification of relief that affects a number of deadlines, including those related to special enrollee elections, COBRA coverage, and filing claims and appeals.

The COVID-19 outbreak in the United States was declared a national emergency, beginning March 1, 2020. The relief notification extends certain time frames by mandating the period starting March 1 through 60 days after the national emergency is over (known as the "outbreak period") to **not** be considered in applying certain deadlines. The date for the end of the national emergency has not yet been announced.<sup>1</sup> However, the extension cannot exceed one year.

On February 26, 2021, the federal Employee Benefits Security Administration (EBSA) issued EBSA Disaster Relief Notice 2021-01, which requires the extension of certain time frames for individuals and plans be disregarded until the earlier of:

- 1 year from the date they were first eligible for relief; or
- 60 days after the announced end of the National Emergency (the end of the Outbreak Period).

In no case will a disregarded period exceed 1 year.

On October 6, 2021, the IRS issued Notice 2021-58, which clarifies the application of certain extensions for the election of COBRA coverage and payment of COBRA premiums. Specifically, the disregarded period for an individual to elect COBRA and the disregarded period for an individual to make initial and subsequent COBRA premium payments generally run concurrently.

- If an individual elected COBRA continuation coverage **outside of the initial 60-day COBRA election time frame**, that individual generally will have 1 year and 105 days (60 days to make initial election + 45 days to make initial premium payment) **after the date the COBRA notice was provided** to make the initial COBRA premium payment.
- If an individual elected COBRA continuation coverage **within the initial 60-day COBRA election time frame**, that individual will have 1 year and 45 days **after the date of the COBRA election** to make the initial COBRA premium payment.

Because some individuals may have assumed that the disregarded period for making the initial premium payment begins on the date of the COBRA election, individuals who made elections outside of the initial 60-day COBRA election time frame may have less time than anticipated to make the initial premium payment. To avoid inequitable outcomes, IRS Notice 2021-58 states that in no event will an individual be required to make the initial premium payment before November 1, 2021, even if that date is more than 1 year and 105 days after the date the election notice was received, provided that the individual makes the initial premium payment within 1 year and 45 days after the date of the election.

We will administer plans consistent with these temporarily extended deadlines mandated by the federal government. The chart below identifies the deadlines that affect employer-sponsored, ERISA self-funded health benefit plans administered by Star Marketing and Administration, Inc.

Which Time Frames are Impacted by the Federal Extension?	What's the Time Frame?	Extend the Time Frame for Plans and Individuals by Disregarding the Outbreak Period Until the Earlier of:
Time Frame for <b>Special Enrollee</b> to Elect Coverage <sup>2</sup>	30 days from the qualifying event (i.e. birth, marriage, adoption)	1 year from the date they were first eligible for relief; or 60 days after the announced end of the National Emergency
Time Frame for <b>Plan to Provide COBRA Election Notice</b> <sup>3</sup> to Employee/Dependent	14 days from the date the plan administrator is notified of a qualifying event.	1 year from the date they were first eligible for relief; or 60 days after the announced end of the National Emergency
Time Frame to <b>Elect COBRA</b> <sup>3</sup>	60 days from the later of: a. the date the election notice is furnished; or b. the date coverage ends	1 year from the date they were first eligible for relief; or 60 days after the announced end of the National Emergency
Time frame to <b>Remit Initial COBRA Premium</b> <sup>3</sup>	45 days from the COBRA election date	1 year from the date they were first eligible for relief; or 60 days after the announced end of the National Emergency

Which Time Frames are Impacted by the Federal Extension?	What's the Time Frame?	Extend the Time Frame for Plans and Individuals by Disregarding the Outbreak Period Until the Earlier of:
Time Frame to <b>Remit Subsequent COBRA Premium</b> <sup>3</sup>	Within the 30 day grace period after the first day of the coverage period	1 year from the date they were first eligible for relief; or 60 days after the announced end of the National Emergency
Time Frame to <b>Provide Notice of Qualifying Event</b>	60 days from qualifying event (i.e. divorce, loss of dependent child status, disability)	1 year from the date they were first eligible for relief; or 60 days after the announced end of the National Emergency
Time Frame to <b>Submit a Claim</b>	Deadline to file a claim under the plan (time frame may vary from plan to plan but is often 12 months)	1 year from the date they were first eligible for relief; or 60 days after the announced end of the National Emergency
Time Frame to <b>Submit a Request for Internal Appeal</b>	180 days from receipt of notice of adverse benefit determination	1 year from the date they were first eligible for relief; or 60 days after the announced end of the National Emergency
Time Frame to <b>Submit a Request for External Appeal</b> <sup>2</sup>	4 months from receipt of final adverse benefit determination	1 year from the date they were first eligible for relief; or 60 days after the announced end of the National Emergency

Which Time Frames are Impacted by the Federal Extension?	What's the Time Frame?	Extend the Time Frame for Plans and Individuals by Disregarding the Outbreak Period Until the Earlier of:
Time Frame to <b>Perfect a Request for External Appeal</b> <sup>2</sup>	The later of: a. The end of the 4-month period in which to request an external appeal; or b. 48 hours from receipt of notification that explains the request for external review is incomplete and describes the information or materials needed to make the request complete.	1 year from the date they were first eligible for relief; or 60 days after the announced end of the National Emergency

Review your plan document for plan-specific time frames.

Employees who are impacted by these changes and have questions can call Customer Service at 800.522.1246.

To learn more, visit [bit.ly/summary-time-frame-extension](http://bit.ly/summary-time-frame-extension).

**For more on benefit changes due to COVID-19, visit [trustmarkbenefits.com/Small-Business-Benefits/COVID-19](http://trustmarkbenefits.com/Small-Business-Benefits/COVID-19).**

<sup>1</sup>The date of the end of the national emergency could vary for different parts of the country, if public emergencies end at different times in different states or regions.

<sup>2</sup>Does not apply to limited scope dental or disability income plans.

<sup>3</sup>COBRA is applicable only for members/dependents of groups with 20 or more employees in the prior year. COBRA does not apply to disability income plans. Pursuant to IRS Notice 2021-58, the disregarded period to elect COBRA and the disregarded period to make COBRA premium payments run concurrently.

## Small Business Benefits

**Self-funded plans are administered by Star Marketing and Administration, Inc., and stop-loss insurance and ancillary coverage are provided by Trustmark Life Insurance Company**

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