

# COBRA Employer Instructions

The Health Reimbursement Arrangement (HRA) is subject to COBRA continuation rules. The enclosed Notice of Right to Elect COBRA must be distributed to each Participant (and their dependents) when said Participant experiences a qualifying event. Also included is an Election Form, should the Participant choose to continue their TASC HRA Plan.

## Qualifying Events

- a. Termination of employment or reduction of work hours to a level below the eligibility requirements.
- b. Death.
- c. Entitlement to receive Medicare benefits.
- d. Divorce or legal separation.
- e. Dependent ceasing to be a dependent.

Provide each Participant with a TASC HRA Plan who experiences a qualified event the Notice of Right to Elect COBRA and the TASC HRA COBRA Election Forms. Please complete the Participant information and provide a copy to the spouse and any dependents. These may be mailed separately.

As the employer, be aware that Participants under the HRA Plan via COBRA do so with no tax advantage. Regardless of this fact, employers are required by law to offer participation. The operation of COBRA under an HRA Plan is similar to COBRA continuation for traditional health insurance. The monthly premium charged to the Participant will equal the total cost of the Plan premiums. The employer may add up to two percent if they choose to cover COBRA administrative costs. If the Participant fails to return the election form, they are effectively terminating participation in the HRA Plan.

If you receive completed COBRA Election Forms, you should:

- Notify TASC so we may reactivate the Participant's coverage. We will need to be notified again once the Participant is no longer eligible for COBRA so we may again deactivate their coverage. If a Participant is waiving their right to continuation coverage there is no need to notify TASC (assuming you originally notified us of their termination). Please use the TASC HRA Change Form management process to notify TASC. Do not submit the TASC HRA COBRA Election Form.
- Collect the required premium from the Participant and inform them of the premium due dates.

If you have any questions regarding these communications, please contact our Client Services Department (1-800-422-4661 or at [www.tasconline.com](http://www.tasconline.com)) for assistance.

