

TOP ARPA DETAILS - April 2, 2021

Below is a list of important facts regarding the American Rescue Plan Act (ARPA). This document will be updated periodically and will be redistributed as new information is available.

- Qualified employees are called Assistance Eligible Individuals (AEI's – this is the employee plus their affected spouses and children) and are those individuals who meet the following criteria:
 - Loss of employment by either involuntarily termination or a reduction in hours
 - Loss of employment occurred between November 2019 – September 2021
 - Are within their 18-month window for COBRA coverage between April – September 2021
 - Do not have another group medical plan available to them and/or are not eligible for Medicare
- This ARPA subsidy is slated for 1-6 months coverage between April – September 2021
- All AEI's that declined COBRA coverage during their initial enrollment period, will be given the opportunity to enroll between April – September 2021. They will not be obligated to cover premiums leading up to April 2021. Essentially, they are being allowed a gap in coverage.
- All COBRA benefits are offered through this subsidy with the exception of Health Flexible Spending Accounts. AEI's may choose to elect part or all of the offered plans.
- Coverage may end earlier if one of the following circumstances happen:
 - The individual becomes eligible for coverage under another group health plan or Medicare. Individuals must notify their employer or COBRA administrator if they become eligible for such coverage and are subject to a \$250 penalty if they fail to do so in a timely manner.
 - The individual exhausts their 18 months of COBRA coverage.
 - The individual reaches Medicare eligibility age, COBRA will end the first of their Medicare-eligibility birthday month.
- If an employer offers more than one health plan, it is up to the employer to decide if they will offer multiple plans to AEI's. As long as the plan is not more expensive than the plan they are enrolled in currently, the AEI may opt to switch plans.
- Repayment to Employers will be given when the Treasury Department provides credits through a reduction of quarterly payroll taxes equal to the full 102% of premiums paid. The credit can be advanced and is refundable, meaning employers could claim a refund if the amount paid exceeds the taxes due. Contact your tax advisor/accountant for more direction on this.