



Qualifying Events Requiring COBRA

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](http://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Qualifying Events Requiring COBRA

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The following list of qualifying events should trigger the COBRA notification process.

- Death of a covered employee
- Voluntary or involuntary termination of the covered employee's employment (except for gross misconduct)
- Reduction of hours worked by covered employee
- Divorce or legal separation of the covered employee from the employee's spouse
- Employee's entitlement to Medicare
- A dependent child ceasing to be a dependent under the eligibility requirements (i.e., age, student status, marriage)
- An employer's bankruptcy

Second Qualifying Events

A second qualifying event is a qualifying event that occurs during the 18-month period following the date of any employee's termination or reduction in hours. The beneficiary of that second qualifying event will be entitled to a total of 36 months of continued coverage. The period will be measured from the date of the loss of coverage caused by the first qualifying event.

According to direct information from the U.S. Department of Health and Human Services:

Second qualifying events may include the death of the covered employee, divorce or legal separation from the covered employee, the covered employee becoming entitled to Medicare benefits (under Part A, Part B or both), or a dependent child ceasing to be eligible for coverage as a dependent under the group health plan.

The following conditions must be met in order for a second event to extend a period of coverage

1. The initial qualifying event is the covered employee's termination or reduction of hours of employment, which calls for an 18-month period of continuation coverage
2. The second event that gives rise to a 36-month maximum coverage period occurs during the initial 18-month period of continuation coverage (or within the 29-month period of coverage if a disability extension applies)
3. The second event would have caused a qualified beneficiary to lose coverage under the plan in the absence of the initial qualifying event
4. The individual was a qualified beneficiary in connection with the first qualifying event and is still a qualified beneficiary at the time of the second event
5. The individual meets any applicable COBRA notice requirement in connection with a second event, such as notifying the plan administrator of a divorce, or a child ceasing to be a dependent under the plan within 60 days after the event.

If all conditions associated with a second qualifying event are met, the period of continuation coverage for the affected qualified beneficiary (or beneficiaries) is extended from 18 months (or 29 months) to 36 months.

DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.

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