



Covered Persons - Not Qualified Beneficiaries

Dear Reader:

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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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Reference Number: MTAS-895

Certain individuals may be added to a qualified beneficiary's health plan coverage but not be entitled to the same rights as a qualified beneficiary. For example, a former dependent child of a covered employee could enroll under a group health plan as a qualified beneficiary, marry, opt to cover a new spouse, have a child and opt to cover the child all within 36 months of COBRA continuation coverage. Thus an employee's grandchild could be enrolled in an employer's group health plan under COBRA but not as a qualified beneficiary. The only way the grandchild could become covered is if the former dependent child, a qualified beneficiary, so elects. The former dependent child's new spouse would not have any election rights, nor would the grandchild.

Another group of individuals who could become covered under COBRA continuation coverage, but who are not qualified beneficiaries, are former qualified beneficiaries. For example, employee Smith is married and terminates employment but elects to continue only single coverage. His spouse declines to continue any coverage. During a subsequent open-enrollment period, Smith enrolls his spouse. If the couple is divorced within the 18-month continuation period, Smith's spouse could not continue health benefits because she is not a qualified beneficiary.

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.

Source URL (retrieved on 02/25/2020 - 8:39pm): <https://www.mtas.tennessee.edu/reference/covered-persons-not-qualified-beneficiaries>



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