

ARPA Deadlines and New CHIP Notice: Employee Benefits Compliance News

By Risk Strategies Employee Benefits Practice

Sep 1, 2021

While many employers have started to turn their attention to their upcoming Open Enrollment season, some recent developments regarding compliance requirements should not be overlooked. To ensure your organization doesn't lose sight, below are brief overviews regarding two notice requirements that may need attention.



- **ARPA: COBRA Subsidy Termination Notice Reminder**

Under the American Rescue Plan Act (ARPA), certain individuals who lost group health plan coverage as a result of an involuntary termination or a reduction of hours may have been eligible for COBRA premium assistance.

This subsidy is scheduled to end on September 30, 2021.

However, employers must take additional action prior to this upcoming expiration date to stay in compliance under ARPA. Specifically, employers must notify individuals that were eligible for COBRA premium assistance that the subsidy program will soon be expiring. Applicable individuals should receive this notice between August 16, 2021 and September 15, 2021.

The notice must explain the date that the premium assistance will expire. In addition, it should highlight that the individual may be eligible for coverage without any premium assistance through COBRA, a group health plan, the Marketplace, or Medicare/Medicaid.

To help employers in this regard, the government has issued a *Model Notice of Expiration of Period of Premium Assistance*.

[Please click here to learn more about this requirement and to download the model notice.](#)

- **DOL Releases New Model Employer CHIP Notice**

On July 31, 2021, the Department of Labor (DOL) released a new model version of the Employer CHIP notice. If your organization is subject to the requirement to distribute that notice, please be sure to update your benefits communication materials accordingly.

As background, the Children's Health Insurance Program Reauthorization Act (CHIPRA) imposes an annual notice requirement on employers. If your group health plan covers participants who reside in a state that provides a premium assistance subsidy, then you may be subject to this notice requirement.

Employers have a variety of options as to how they may distribute this notice. These include:

- Distributing the notice on a standalone basis
- Including the notice along with materials that inform employees about health plan eligibility
- Enclosing the notice within materials that are shared regarding annual open enrollment periods or another benefit process
- Including it alongside the distribution of the summary plan description (SPD)

[Please click here to download the latest model notice.](#)

We hope that you find these compliance reminders helpful. If you have any questions, please [reach out to a member of our Employee Benefits department.](#)

This is not intended to be exhaustive nor should any discussion or opinions be construed as legal or tax advice. Readers should contact their legal counsel and/or tax advisor for guidance.

TAGS:

Employee Benefits