



- Avoid costly penalties
- Reduce involvement with government regulations
- 24/7 access to real-time reporting

COBRA ADMINISTRATION

Easier COBRA administration for reduced risk and liability.

The Consolidated Omnibus Budget Reconciliation Act (commonly called “COBRA”) requires most employers to offer temporary benefit continuation to individuals who have lost their group insurance coverage. Because these requirements are so complex, COBRA mistakes are extremely common — the IRS estimates that up to 90% of employers are currently in violation.

DID YOU KNOW?

General Notices (aka General Rights Notices or Initial Rights Notices) are *required* by COBRA, and *all* new plan members must receive one in their first 90 days of coverage. This notice educates new plan members on their rights and responsibilities under COBRA, but employers often mistake them as optional, or neglect to send them.

It is important to treat all COBRA participants the same as similarly situated active employees. If active employees are allowed to change plans and add/remove dependents during Open Enrollment, then COBRA participants must be allowed the same opportunity.

The Affordable Care Act did NOT eliminate COBRA. The ACA did not remove any of your COBRA obligations as an employer. New participants must still be notified of their COBRA rights in a General Rights Notice, and COBRA must still be offered to “qualified beneficiaries.”

COBRA mistakes carry real financial consequences such as IRS excise taxes, ERISA fines and legal fees. Each qualified beneficiary could potentially incur an excise tax of \$100 per day (\$200 per family maximum), as well as additional penalties of up to \$110 per day for failures by nongovernmental plans.

PrimePay’s COBRA Administration services stay on top of these ever-changing and complex regulations so you don’t have to. Our simple 3-step process makes it easy for you to ensure that your COBRA obligations are fulfilled, and for us to effectively manage the rest. Simply notify us of new plan members and qualifying events.

The final step of our simple 3-step process includes the reports PrimePay provides that gives you all the details you need to remain compliant. Review the PrimePay-provided reports to ensure accuracy and completeness. We take the guess work out of what to do and when to do it. It doesn’t get any easier than that!