THE ENTERPRISE TEAM — KNOWLEDGE CENTER

COBRA Compliance Guide

What employers need to know about continuation-coverage obligations, timelines, and best practices.

Who must comply

COBRA generally applies to employers with 20 or more employees that sponsor a group health plan. Many states have “mini-COBRA” rules that extend similar rights to smaller employers.

Key notices & deadlines

- General (initial) notice — within 90 days of coverage beginning.
- Employer notice to plan administrator — within 30 days of a qualifying event (termination, reduction in hours, death).
- Election notice to qualified beneficiary — within 14 days after the administrator is notified.
- Qualified beneficiary election period — at least 60 days.
- First premium payment — within 45 days of election.

Coverage periods

- 18 months — termination or reduction of hours.
- 29 months — if a qualified beneficiary is disabled (SSA determination).
- 36 months — divorce, death of employee, or loss of dependent status.

Common (and costly) mistakes

- Missing or late election notices — statutory penalties up to $110/day per beneficiary.
- Failing to track qualifying events across HR and payroll.
- Not documenting the date each notice was sent.

Best practices

- Automate notice generation and keep a dated audit trail.
- Reconcile enrollment and terminations monthly.
- Consider outsourcing COBRA administration to reduce risk.

Questions about how this applies to your organization? Our advisors offer a free consultation — visit the contact page on our website.

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