

News Release



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Labor Department Proposes Rules on Notices For COBRA Continuation Health Care Coverage

WASHINGTON—The U. S. Department of Labor today announced proposed rules clarifying the requirements for notices under the Consolidated Omnibus Budget Reconciliation Act (COBRA) for employees, employers and plan administrators. The proposal provides guidance and model notices for workers and family members to continue their group health care coverage.

“More than 5 million Americans become eligible for COBRA health benefits each year,” said Assistant Secretary of Labor Ann L. Combs. “We estimate up to 50,000 of those eligible for COBRA may miss the opportunity to take the coverage because they did not obtain notices required by the law.

“The department is contacted by thousands of individuals and employers about the notice provisions each year. These proposed rules are a big step forward to ensure that individuals receive good information about their rights to COBRA coverage and know what steps to take to protect those rights. The rules and model notices also will assist employers and group health plans to comply with their obligations under the law. We look forward to suggestions from the public on how to improve these important proposed rules.”

Under COBRA, most group health plans must give employees and their families the opportunity to elect a temporary continuation of their group health coverage when coverage would otherwise be lost for reasons such as termination of employment, divorce or death. COBRA requires that certain notices be given before individuals can elect COBRA coverage. The plan administrator must give employees and spouses a general notice explaining COBRA when the employees and spouses first become covered under the plan. When an event occurs that would trigger a right to elect COBRA coverage, either the employer or the employee and his or her family members must notify the plan of the event. Finally, when the plan receives this notice, the plan must notify individuals of their COBRA rights and allow them to elect continuation coverage.

Public comments on the proposed regulations should be submitted to the U.S. Department of Labor, Employee Benefits Security Administration (EBSA), Room N5669, 200 Constitution Ave., N.W., Washington, D.C. 20210. The proposed regulations are scheduled to be published in the **May 28, 2003** *Federal Register*. A fact sheet on the proposal is available on EBSA’s Web site at www.dol.gov/ebsa.

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