

Flex Compensation, Inc.

www.flexcompensation.com

0001

Mailing address: PO Box 220, Minneapolis, MN 55440-0220
Street address: 600 S. Hwy 169, Suite 1570, St. Louis Park, MN 55426
(952) 544-8332 (800) 333-5597 Fax: (952) 544-8287

June 16, 2003

Office of Regulations and Interpretations
EBSA, Room N-5669
US Department of Labor
200 Constitution Ave. NW
Washington, DC 20210

Attn: COBRA Notice Regulations

RECEIVED
OFFICE OF REGULATIONS
AND INTERPRETATIONS
2003 JUN 23 PM 5:03

This letter is in response to the COBRA Notice Regulations published in the Federal Register on May 28, 2003.

Flex Compensation is a third party administrator that provides COBRA administration services to several clients ranging in size from less than 100 employees to over 18,000 employees. We appreciate the guidance on COBRA notifications and have a few comments regarding the election notice:

- 1.) The third paragraph on first page of the notice specifies a coverage termination date. Keep on mind that most COBRA administrators include multiple plans (e.g. medical, dental, vision, health FSA) on a single COBRA notice. Frequently, different plans have different termination dates. For example, the medical plan continues until the end of the month in which employment termination occurs, but the dental and health FSA's terminate on the date of employment termination. We list all plans that can be continued with a separate termination date.
- 2.) The fourth paragraph on the first page lists all qualified beneficiaries. Employees frequently enroll different dependents in each plan. For example, an employee may elect employee only coverage for the medical plan, but enroll a spouse and children in the dental plan. We list the covered dependents for each plan on the Election Form under the appropriate plan. This clarifies which qualified beneficiaries may enroll for each plan.
- 3.) The fifth paragraph on the first page includes a date range for continuation coverage. Again, because the coverage termination date can vary by plan, this means that multiple date ranges would be required. We believe that simply knowing the length of the continuation period is adequate.

4.) The sixth paragraph on the first page includes a cost for continuation coverage. Given the potential for multiple plans and the various coverage levels available for each plan (e.g. employee only, employee plus spouse, employee plus children, family, etc.) it will be difficult to list all the costs.

5.) In general, the Notice is far too long. We find that participants rarely read the 2 page notice we currently send. Seven pages will be overwhelming.

I hope you will consider these comments in the final regulations. Thank you.

Sincerely,



Gary Bohline