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Employee Benefits – Question of the Month

March 2018

Q: An employee of ours died in March 2017, and his 24-year old daughter (let's call her Andi) elected COBRA coverage under our group health plan. I believe Andi will turn 26 years old before her COBRA period runs out in September of this year. What happens to her COBRA coverage at that time? Does she lose coverage the same as if she were still an active enrollee on our plan? Or does the fact that she is turning 26 trigger a new COBRA election right?

A: First let's talk about how long dependents are able to keep COBRA coverage after the death of a parent. You appear to be operating under the belief that Andi is entitled to 18 months of COBRA, but she is actually entitled to 36 months (assuming she pays her premiums on time and there are no other reasons for you to terminate her coverage early). So at a minimum, she is entitled to keep her coverage through March of 2020.

Andi does not lose her COBRA entitlement when she turns 26 as she would if she were still on your plan. Nor is there a triggering of a new COBRA election or an extension of her original election period beyond 36 months. COBRA extensions are only available when a COBRA participant experiences a second qualifying event if:

- The first qualifying event was the covered employee's termination or reduction of hours (which trigger an 18- or 29-month maximum coverage period); and
- The second qualifying event is one that would trigger a 36-month maximum coverage period (death of the covered employee, divorce or legal separation from the covered employee, or a dependent child's ceasing to be a dependent).

In Andi's case, the rule permitting extension of the maximum coverage period because of a subsequent qualifying event would not apply because the first qualifying event was the covered employee's death... not termination or reduction in hours. In addition, she is already entitled to the maximum 36-month coverage period, and COBRA does not provide for an extension beyond that.

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