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## **IMPORTANT NOTICE REGARDING FEDERAL COBRA SUBSIDY**

In accordance with the American Rescue Plan Act of 2021 (ARPA), enacted on March 11, 2021, the Federal government will be providing a temporary 100% COBRA premium subsidy beginning with the month of April 2021.

The subsidy will be available to eligible employees (and their family members who are COBRA qualified beneficiaries) who lost health coverage under the SDC-League Health Fund as of March 1, 2020, September 1, 2020, or March 1, 2021 due to the employee's involuntary termination or reduction in hours of employment.

The ARPA subsidy will be available beginning with the month of April 2021 and ends September 2021 (or earlier, if the individual's original maximum COBRA period expires earlier or the individual is otherwise no longer eligible for COBRA coverage).

The subsidy is not available if the individual is eligible (or becomes eligible) for Medicare or *group* health coverage (excluding certain types of limited coverage), even if the individual does not actually enroll in Medicare or other group coverage. Enrollment in Marketplace coverage should not affect eligibility for the subsidy.

Eligible individuals who already had an opportunity to elect COBRA coverage and did not elect it (or elected it and let coverage lapse) will be offered a second COBRA election period in accordance with ARPA, allowing them to elect COBRA coverage on a prospective basis beginning with the month of April 2021.

The above is intended to be a very brief, general summary to alert you to this government subsidy. While the Fund recognizes that your eligibility for this subsidy may impact your decision to elect COBRA coverage, please be aware that there are many detailed rules and unanswered questions at this point in time, and the government is expected to issue guidance in the coming weeks that will fill in the gaps. Accordingly, it may not be possible for a determination to be made *at this time* as to whether you or your dependents will be eligible for the subsidy or exactly how the subsidy will work. **The Fund will be providing additional information, including information about how you can receive the subsidy, once further guidance is issued by the government.**