

SECTION 21 CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA)

The Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, mandates that that employers with twenty (21) or more employees on fifty (50%) percent of the business days of the previous year offer continuation group health care coverage to plan participants and certain family members for 18 or 36 months, at group rates, where coverage might otherwise end, such as with a voluntary or involuntary termination of employment, a reduction of hours worked, the death of an employee, or a divorce. Further legislation, as well as regulations interpreting and enforcing parts of COBRA were implemented in 1987 and again in 1989. The act mandates the length of time employees have to elect COBRA benefits, response time for employers, and what notices must be provided.

21-01 POLICY PROVISIONS

- 21-01 (1) The City of Logan complies with the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 and all subsequent amendments to the act.
- 21-01 (2) All employees covered by a plan, including spouses and children, are eligible for COBRA.
 - a. The employee pays health care continuation coverage premiums in full.
 - b. The premiums charged an employee may include a two (2%) percent administrative fee.