

Answers to Frequently Asked Questions regarding the subsidy period under the American Rescue Plan Act (ARPA) and its expiration on September 30, 2021.

Q: Will there be an extension to the subsidy period?

A: We don't anticipate an extension to the subsidy period. While Congress can choose to pass additional legislation, the funding for current ARPA subsidies was passed through the Budget Reconciliation Process, and this process can only be initiated once for any given fiscal year.

Q: What reports are available for notices and enrollments that pertain to the ARPA Subsidy?

A: We have a variety of reports to get you data you need regarding the ARPA Subsidy. Those reports are listed below:

1. ARPA Notices Mailed Report – This report will show who has been sent a notice specifically outlining Premium Assistance rights under the American Rescue Plan Act of 2021 (ARPA). This notice has not been sent since April, when we updated our Qualifying Event Notice to include the ARPA Rights. This report can be found in your Download Center on the Employer Portal.
2. ARPA Subsidy Balance Statement – isolved Benefit Services developed a report specifically for tracking participants' ARPA COBRA subsidy totals. This report will include Month to Date, Quarter to Date, and Year to Date ARPA subsidies with clear totals, making your Form 941 filings as easy as possible. The Subsidy Balance Statement is provided through the COBRA Online Portal Download Center the first week of each month. We recommend sharing this report at the end of each quarter with your payroll or accounting professional to make appropriate reductions to your payroll tax liability for the quarter.
3. Subsidy Confirmation Report (Finance: VPI Report) – This report shows the amount due from our clients for the COBRA administrative fee. Under applicable law, isolved Benefit Services adds a 2% administrative fee to the premium cost for benefits under COBRA. This cost is typically incurred by COBRA participants; however, because the subsidy pays 100% of the premiums for Qualified Beneficiaries, the 2% fee is recovered through our clients. That being said, the 2% fee is recouped by the client through payroll tax credits and is accounted for on our ARPA Subsidy Balance Statement. This report can be found under the description "Finance: VPI Report" in your Download Center.

Q: My Premium Remittance report does not match what was deposited in my account. Why?

A: The amount deposited in your account may reflect the premiums paid by Qualified Beneficiaries who are not subsidy eligible (found on your Premium Remittance report) less the amount due for the 2% administration fee for those receiving premium assistance under ARPA. The amount subtracted for the 2% administrative fee is the "Amount Due" on the Subsidy Confirmation Report, found under the description "Finance: VPI Report" in your Download Center.

Q: What report best shows who is receiving the premium assistance through the ARPA Subsidy Program?

A: The monthly Subsidy Balance Statement is the report that best shows Qualified Beneficiaries who are receiving a subsidy under ARPA.

Q: How can we claim our Tax Credits?

A: You will receive your tax credits when you file your quarterly Payroll Taxes, typically via Form 941. You can utilize the Subsidy Balance Statement to identify the amount eligible for credits.

Q: The Subsidy expires in Q3 of 2021. Will there be any situations where ARPA Subsidies could affect my Q4 payroll tax filings?

A: A Qualified Beneficiary may still be entitled to elect coverage using ARPA premium subsidies for coverage in Q3 after Q3. For instance, an individual who has a Qualifying COBRA Event on 8/31/2021 will be eligible to elect Coverage under the subsidy for the month September and has until 10/30/2021 to elect the subsidy. This and similar situations would affect your Q4 payroll tax filings.

Q: When will isolved send ARPA Expiration Notices?

A: isolved Benefit Services has been and will continue sending Subsidy Expiration notices to participants receiving Premium Assistance under ARPA 15 to 45 days prior to the expiration of these benefits. Our team has started to send these notices already and will keep our clients compliant by mailing all notices by September 15th.

Q: What is my role in sending ARPA Expiration Notices, and how much does it cost?

A: isolved Benefit Services will automatically send these notices on your behalf to COBRA participants meeting the requirements under ARPA. The ARPA Expiration Notices will not come at an additional cost to our clients.

Q: Can I see whether the expiration notice has been mailed and what the notice looks like for my COBRA Participants?

A: To check on the status of the Subsidy Expiration Notice, please "Find" a participant within our Online COBRA Portal. Select the "Notices" tab and you can view when the notice was mailed out to the participant as well as the notice itself.

Q: Who will remove COBRA Participants who received Premium Assistance under ARPA from our Group Health Plans?

A: After the expiration of the ARPA subsidy, Qualified Beneficiaries who are still within their maximum coverage periods will have the right to continue COBRA at 102% of the cost of premiums. If they choose to do so, there will not be a need to terminate coverage.

If Qualified Beneficiaries do not pay for their coverages within 30 days of non-payment, their removal from plans will be done through one of three reporting mechanisms chosen by the client in the agreement for

COBRA services: (i) isolved Benefit Services sending change reports to client who is responsible for communicating reinstatement/removal and plan changes to the carrier, (ii) isolved Benefit Services sending change reports to the carrier directly, or (iii) isolved Benefit Services communicating changes carriers directly through our COBRA Eligibility Management Service (CEMS) add-on.

PLEASE NOTE: Regardless of the communication method noted above, it is the client's responsibility to confirm that appropriate changes/terminations were made with carriers.

Q. What legislation providing relief from COVID will still affect COBRA Administration after the ARPA Subsidies expire?

A. The CARES Act will continue to "toll", or pause, timelines for payment grace periods and COBRA enrollments until the sooner of 60 days following a Presidential declaration to the end of the COVID-19 National Emergency *or* 12 months following the date in which the timelines were tolled for each individual.