

## IRS Issues New Guidance Related to the COBRA Subsidies

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*Wes Covert*  
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On May 18, 2021, the IRS released Notice 2021-31 which includes many FAQs which address the following topics:

- Eligibility for COBRA Subsidies
- Examples of Involuntary Terminations and Reduction of Hours
- Coverage that is Eligible for COBRA Subsidies
- When the Subsidy Period Begins and Ends
- Extended Election Periods
- Interplay with the Extensions Under Prior Emergency Relief
- Payments to Insurers
- Application to State “mini-COBRA”
- Calculation of the COBRA Subsidy Credits
- Claiming the COBRA Subsidy Credits

We anticipate expanding upon our prior *Fast Laner* article by incorporating this new guidance from the IRS. Also, as a reminder, the May 31, 2021 due date to issue COBRA subsidy notices to all applicable qualified beneficiaries who are entitled to an extended election period is fast approaching. In the meantime, please do not hesitate to contact your servicing Laner Muchin attorney if you have questions about the COBRA subsidies.

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