



## Employment Law Newsletter

January 27, 2005

### COBRA Notice Rules Expanded

New federal COBRA Regulations are currently in effect and have altered or expanded the notice requirements regarding health benefits. The chart below and the additional information section immediately following the chart include the changes made by the new regulations regarding notice requirements.

	<b>Triggering Event</b>	<b>Notify Of</b>	<b>Notice Given By</b>	<b>Notice Given To</b>	<b>Deadline</b>
<b>1</b>	Commencement of coverage	COBRA eligibility	Employer	Employee and spouse	90 days
<b>2</b>	Qualifying event other than termination (events the employer must be told to be aware of, i.e. divorce, death of child, disability determination by the social security administration, etc.)	Occurrence of qualifying event other than termination	Beneficiary	Administrator	60 days
<b>3</b>	Employer becomes aware of a	Qualifying	Employer	Administrator	20 days

	qualifying event (triggers a 2-step process)	event			
		Right to elect coverage	Administrator	Beneficiary	14 days from receiving employer's notice
4	Either of the following: 1. Receive notice of first or second qualifying event 2. Receive notice of social security disability determination	Unavailability of coverage	Administrator	Beneficiary	14 days from when administrator was notified of triggering event
5	If one of the following: 1. Employer cancels health coverage for all employees 2. Beneficiary fails to pay premium 3. Beneficiary becomes eligible for Medicare 4. Beneficiary joins another plan that doesn't have certain pre-existing condition rules 5. Beneficiary terminated for cause	Termination of coverage	Administrator	Beneficiary	As soon as practicable

### **Additional Information:**

**Notice Requirement #1** — The Dept. of Labor provides a model for this notification at [www.dol.gov/ebsa/modelgeneralnotice.doc](http://www.dol.gov/ebsa/modelgeneralnotice.doc).

**Notice Requirement #2** —You may designate the procedure that you would like your employees to follow when giving this notice in your Plan Description.

**Notice Requirement #3** — If the employer is the Administrator, notice of continuation rights must be given within 44 days of receiving notice of the qualifying event. Note also that the new regulations specify what must be included in the notice, and a model form is available at [www.dol.gov/ebsa/modelectionnotice.doc](http://www.dol.gov/ebsa/modelectionnotice.doc).

### **Legislative Changes Effective in 2005—Summary Attached**

In December of 2004, the labor and employment attorneys at MAAS presented a seminar regarding the new legislation taking effect in 2005. Due to numerous requests for that information, we have attached a Word document summarizing that presentation.

### **MAAS Will Provide Sexual Harassment Training**

In order to assist you in your efforts to comply with the State's new requirement that managers receive sexual harassment training every two years, MAAS will provide the required training for a flat fee of \$1,500 per training class. This flat rate allows for any number of employees and supervisors to be trained at once. If requested, the flat fee will also include the training of your own in-house trainers for future training sessions, thus helping to make this a one-time fee. In conjunction with the sexual harassment training, you may also use our expertise to satisfy any other training requirements

you might have for a small increase to the flat fee. Please contact us if you have any questions about our services, rates, or availability.



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