

Which Events Trigger COBRA?

Events that trigger coverage are called qualifying events. The following are qualifying events:

- an employee's voluntary or involuntary termination of employment, unless it is for gross misconduct. COBRA does not define misconduct, but some criteria to use if you are thinking of denying COBRA benefits on the basis of misconduct are:
 - There must be a connection between the offense and the employee's job.
 - The employee must be able to understand the gravity of the misconduct.
 - The offense must be willful.
 - If the departing employee decides to challenge your determination, you're probably going to end up in federal court. Balance the estimated costs of fighting the enforcement suit against the estimated costs of the COBRA coverage.
- an employee's reduction in hours of employment (e.g., from full time to part time)
- a covered spouse's divorce or legal separation from an employee
- an employee's death
- an employee's entitlement to Medicare
- a covered dependent's change in status (for example, reaching an age that no longer qualifies the dependent for coverage under the parent's health plan)
- active military duty when you don't voluntarily maintain health coverage
- failure to return to work at the end of **family and medical leave** where coverage was in effect at the beginning of the leave but was lost during the leave
- your business's bankruptcy

How long does coverage last? Depending upon the type of event and who the beneficiary is, coverage could continue for 18, 29, or 36 months after the date of the event or the coverage loss. Here are the basic rules:

- in the case of termination of employment or reduction in hours — 18 months for the employee and any covered dependents
- in the case of an individual previously entitled to 18 months of coverage who is determined to be disabled — 29 months of coverage
- in the case of an individual previously entitled to 18 months of coverage who experiences a second qualifying event — 36 months of coverage
- in the case of qualifying events for reasons other than termination of employment or reduction in hours — 36 months of coverage