

*MCMS, Inc. Insurance Trust Fund—  
Sarasota Associate Members*

# Federal Cobra Law

Physician / Office Administrator:

The following are the most recent rules that determine if an employer is subject to the **Federal Cobra** Law. If this applies to you now or in the future, please notify us in writing at:

**Barrett, Liner & Buss, LLC**

Post Office Box 270  
Ocala, FL 34478-0270  
Phone: 1-800-622-9124  
Fax: 352-622-1050

## Federal Cobra Law

**The Law:** This law requires covered employers (with 20 or more employees) offering group health plans to provide employees and certain family members the opportunity to continue health coverage under the group health plan in a number of instances when coverage would otherwise have lapsed.

An employer must comply with the Federal COBRA Law if it had twenty (20) or more employees on 50 percent or more of its typical business days in the previous calendar year.

Non-employee owners, officers, directors, agents, and independent contractors are excluded.

Both full and part-time employees are counted to determine if an employer is subject to COBRA. Each part-time employee counts as a fraction of an employee, with the fraction equal to the number of hours that the part-time employee worked divided by the hours an employee must work to be considered full-time.

Multiple Employer Plans\*. A multiple employer plan such as a MEWA or a plan through an Association is different than a multi-employer plan. **In a multiple employer plan each employer is looked at individually to determine if it has to comply with COBRA.**

Multiple Employer Plan
<ul style="list-style-type: none"><li>• More Than One Employer Participates</li><li>• No Collective Bargaining Agreements</li><li>• i.e., Chamber of Commerce, Trade Associations</li></ul>



\*COBRA Compliance Systems, Inc. (COBRA Alert Reference Manual)