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# Client 2006 Talking Points

for Consultants and Brokers

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## **HRAs and COBRA:**

### **Are Your Clients Including the HRA on the COBRA Qualifying Event Notice?**

- ✓ Do your clients know that an HRA is a COBRA impacted plan?
- ✓ Have your clients determined their actuarial premium to charge each COBRA participant?

## **Case Study**

When an employer offers an HRA benefit it is necessary to consider the COBRA requirements. What if an employer has had an HRA option in place for 3 years and has funded the HRA with \$1,000 each year. The plan year is the calendar year. 3 employees terminate their employment on February 14<sup>th</sup>.

- Employee #1 has \$3,000 in their HRA
- Employee #2 has \$1,000 in their HRA
- Employee #3 has \$100 in their HRA

## **Issue**

The employer must offer the same premium to each of the employees on their respective COBRA Qualifying Event Notices, regardless of their respective HRA balances.

## **Solution**

Many employers may be challenged to stay current with the ever changing regulations that impact benefits administration. Do your clients have the resources necessary to correctly answer these questions? Most employers do not have the time, the compliance expertise, or basic knowledge required to properly administer HRAs and COBRA. With CONEXIS your clients can rely on an experienced COBRA and HRA administrator to effectively manage any employee benefits administration issue.

For compliant, comprehensive, and cost effective employee benefits administration solutions you and your clients can rely on, contact CONEXIS for a proposal or additional information. A CONEXIS representative is available toll-free at 877-CONEXIS (266-3947) or via e-mail at [CXSALES@conexis.com](mailto:CXSALES@conexis.com).